

RECIPIENT NAME:Nelson, County of

AWARD NUMBER: NT10BIX5570049

DATE: 01/24/2012

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) 12-31-2011	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): 01-24-2012	

Project Indicators (This Quarter)

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

The County continued to review tower sites in the Massies Mill area. Tower sites in Afton and Avon cleared environmental review and began local permitting. The Avon site was approved but an alternate site for Afton was requested. The environmental review was completed for a tower at the fire department about 2500 feet south. Local permitting was completed for the alternate tower and awaits Board of Supervisors approval. Work continued to finalize the construction design. A project modification for the all underground construction was approved by the grants office and re-consultation with environmental agencies was conducted and concluded with findings of no adverse effect. All permitting was concluded. A materials order was placed, fiber order received, and a contract executed for construction. Construction began in December. 2,364 feet of conduit was installed by the end of the year. Inspection protocols were developed and a full time inspector assigned to the project. A website was developed for communication between construction and project management personnel. Planning meetings were held to review operations, business planning and development of policies and procedures. Meetings were held with providers to explore interest in offering services over the network, interconnection of facilities, and delivery of wholesale Internet. Economic development officials kicked off a public relations effort to notify businesses of the start of construction and to increase awareness of the broadband project.

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	36	Delayed construction start due to a redesign to avoid high make ready costs. Construction was originally projected to start in July but work didn't begin until November when utility locates were conducted by the construction crew. Construction was in progress but has not been billed, and materials received and on order that have not been billed. There were fewer than anticipated construction work days in December due to VDOT restrictions on construction surrounding holiday travel periods and extended rain delays.
2b.	Environmental Assessment	100	No variance to baseline. Environmental assessment amendment approved for all underground construction of fiber.
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	45	Delayed construction start, delayed receipt of materials. 45% of the equipment budget has been expended with \$73,534 in unliquidated obligations for materials received and on order.
2h.	Network Build (all components - owned, leased, IRU, etc)	13	Delayed construction start by approximately 6 months. The fiber network construction was underway in December with a majority of the construction materials received. Tower construction not anticipated until summer or fall of 2012.
2i.	Equipment Deployment	0	Delayed construction start by approximately 6 months. Network operating and end user equipment will not be deployed until the fiber construction is complete, anticipated to occur in Qtr 2 of 2012.
2j.	Network Testing	0	Delayed construction start by approximately 6 months. Less than 1 miles of construction completed and no circuits ready for testing. Expect testing to begin near end of Qtr 1 2012 as significant construction segments connecting to the Lovington network operating center are completed.
2k.	Other (please specify): N/A	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).

Construction was delayed approximately 6 months due to a redesign of the network to avoid high make ready costs. Approval of two

Of the three tower sites did not proceed according to schedule due to citizen requests to find one alternative site and to adjust the placement of the tower and access road on the other site, resulting in additional environmental and permitting work. Construction of the fiber network did begin with locates in November and ground breaking in December, but the Virginia Department of Transportation restriction on work during holiday periods and significant rain slowed the progress of construction. Delays due to availability resulted in slowed delivery and expenditures for materials though it did not affect construction as enough materials were on hand to begin construction. The contractor is closely monitoring the project schedule and will utilize additional crews as necessary to maintain planned progress.

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	The start of construction was delayed approximately 6 months due to a redesign and protracted permitting process with the Virginia Department of Transportation. Installation of less than 1 mile (.45 of a mile) of conduit was completed by the end of the year. Work restrictions around the December holidays and significant rain slowed the construction process considerably.
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)	0	The start of construction was delayed approximately 6 months due to a redesign and protracted permitting process with the Virginia Department of Transportation. Less than 1 mile (.45 of a mile) of construction was completed by the end of the year. Work restrictions around the December holidays and significant rain slowed the construction process considerably.
Number of new wireless links	0	Variance due to delay in finalizing the Massies Mill tower site. The Colleen tower that will receive equipment is in place, but no equipment can be deployed until both towers are ready. This item is approximately 3 quarters behind planned progress.
Number of new towers	0	Variance due to delay in receiving tower site environmental clearance and completing the local permitting process. One of three towers received local permit approval, approval on a second site is anticipated in the next quarter, and a third site is still under review. Follow on pre construction tasks will be performed when review and permitting is complete for all towers to limit additional expenses for multiple site visits to perform like tasks.
Number of new and/or upgraded interconnection points	0	Construction just beginning, no circuits completed between interconnection points.

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	1
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:
 No signed agreements at this time. Previous discussions with a wholesale internet provider stalled due to a corporate shifting of attention following an acquisition made by the provider but resumed again at the end of December. New quotes for service are expected in Qtr 1 2012 that are expected to result in an agreement for wholesale service delivery to the network operating center.

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 under construction and no services are being provided at this time.

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).

A network operator has not been selected at this time, though discussions are ensuing with qualified candidates.

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 lagging projections by approximately 6 months. Access not possible until significant network segments are completed and connected to the network operating center.
	Providers with signed agreements receiving improved access	0	Variance due to network construction lagging projections by approximately 6 months. Access not possible until significant network segments are completed and connected to the network operating center.
	Providers with signed agreements receiving access to dark fiber	0	No variance, not included in baseline projections. The County is interested in leasing dark fiber but no solid candidates at this time.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Variance due to network construction lagging projections by approximately 6 months. Network not constructed, no services available at this time.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Variance due to network construction lagging projections by approximately 6 months. No subscribers will be served until the fiber segments and network testing is complete. Anticipate last mile service equipment to be deployed in Qtr 2 2012.
	Subscribers receiving new access	0	Variance due to network construction lagging projections by approximately 6 months. No subscribers will be served until the fiber segments and network testing is complete. Anticipate last mile service equipment to be deployed in Qtr 2 2012.
	Subscribers receiving improved access	0	Variance due to network construction lagging projections by approximately 6 months. No subscribers will be served until the fiber segments and network testing is complete. Anticipate last mile service equipment to be deployed in Qtr 2 2012.
	Please identify the speed tiers that are available and the number or subscribers for each	0	Variance due to network construction lagging projections by approximately 6 months. Less than 1 mile of construction completed in this quarter, no services available at this time.
Residential / Households	Entities passed	0	Variance due to network construction lagging projections by approximately 6 months. Less than 1 mile of construction completed in this quarter.
	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: services will be offered by last mile providers after construction is complete.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Businesses	Entities passed	0	Variance due to network construction lagging projections by approximately 6 months. Less than 1 mile of construction completed in this quarter.
	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: services will be offered by last mile providers after construction is complete.

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 to management plan at this time.

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	Network construction has just begun, no community anchor institutions are capable of 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).
Construction is expected to continue on schedule with approximately 80 percent of the fiber network construction completed by the end of the next quarter. A request for proposals for network equipment will be released and vendor proposals under review. Formal surveying and soil testing at the Afton and Avon tower sites will occur to develop specifications for tower construction. A third tower site in the Massies Mill area will be selected and under review. A decision to select a network operator will have been made, an agreement for wholesale internet reached and agreements with last mile service providers will be in development. Additionally, accomplishments towards key project indicators are projected as follows:
A. New Network Miles Deployed: 16 miles projected to be completed at the end of the next quarter. Variance to baseline due to delayed construction start of approximately 6 months.
B. New Network Miles Leased: 0 miles, no variance, N/A.
C. Total CAI Subscribers Served (CAIs connected): 0, Variance due to delayed construction start of approximately 6 months. No CAIs can be served until the network is complete. Completion of the network includes fiber construction and equipment deployment and testing expected to be concluded by the end of Qtr 2 of 2012.
D. Number of Signed Agreements with Broadband Wholesalers or Last Mile Providers: 1, variance due to delay in construction start and restarting of negotiations for wholesale internet due to a provider acquisition and name change. Expect to finalize agreement with a wholesale internet provider and agreements will be in development with two last mile providers.

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	76	Construction start delayed approximately 6 months, but contractor working additional crews to complete fiber construction in Qtr 2 2012.
2b.	Environmental Assessment	100	No variance, but we expect to submit a request for an environmental assessment addendum to deploy additional fiber underground to a revised tower location.
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	78	Variance due to delayed construction start as well as the delay in fund expenditure. It is anticipated that all outside plant materials will have been purchased by the end of next quarter as well as some of the key network electronics.
2h.	Network Build (all components - owned, leased, IRU, etc.)	54	Delayed construction start by approximately 6 months. Expect the majority of the fiber network to be constructed but towers will not be under construction and equipment will not have been deployed.
2i.	Equipment Deployment	0	Delayed construction start. Network operating and end user equipment will not be deployed until fiber construction complete, anticipated in Qtr 2 of 2012.
2j.	Network Testing	25	Expect to begin some testing of network circuits
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).

Weather is expected to be the most critical variable in the construction schedule. To date it has been unseasonably warm and rainy which slowed the start of construction at the end of the year. The contractor is utilizing additional crews as necessary to maintain projected progress. This project's expenditures will continue to lag reporting and most specifically in the area of construction labor due to the project inspection and invoicing review procedures as agreed to between the County and the contractor.

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	\$229,666	\$45,933	\$183,733	\$224,768	\$44,954	\$179,814	\$229,666	\$45,933	\$183,733
b. Land, structures, right-of-ways, appraisals, etc.	\$234,020	\$46,804	\$187,215	\$4,850	\$970	\$3,880	\$20,850	\$4,170	\$16,680
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$282,692	\$56,538	\$226,154	\$315,869	\$63,174	\$252,695	\$322,692	\$64,538	\$258,154
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$87,642	\$17,528	\$70,114	\$7,750	\$1,550	\$6,200	\$20,350	\$4,070	\$16,280
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	\$830,297	\$166,060	\$664,237	\$0	\$0	\$0	\$664,238	\$132,848	\$531,390
j. Equipment	\$618,991	\$123,799	\$495,193	\$275,719	\$55,144	\$220,575	\$482,250	\$96,450	\$385,800
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	\$828,956	\$165,792	\$663,164	\$1,740,046	\$348,009	\$1,392,037
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	\$828,956	\$165,792	\$663,164	\$1,740,046	\$348,009	\$1,392,037

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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