

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 NT10BIX5570054	3. DUNS Number 831445494
4. Recipient Organization Page County Broadband Authority 117 South Court Street, Luray, VA 22835-1224		
5. Current Reporting Period End Date (MM/DD/YYYY) 06-30-2011	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 Martha Shickle	7c. Telephone (area code, number and extension) X	
	7d. Email Address shicklem@shentel.net	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 08-19-2011	

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 Point of presence locations and lease terms finalized, began developing final lease documents and drawings. A preliminary design was completed and make ready discussions commenced with the electric utility and local telephone company for aerial attachments. Permit applications for right of way access submitted to Virginia DOT and VA Marine Resources Commission, and railroad crossing permits submitted. The electric utility returned their make ready assessment and costs to complete the work, which was far in excess of the contractor's assessment. The contractor began a reassessment process to adjust design to bypass costs. Postponed invitations and plans for August 11, 2011 public kick off event; continued twice monthly technical meetings with contractor to review progress. Met with anchor institutions to confirm connectivity and bandwidth needs as well as fiber drop locations.

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	7	The budget milestones were developed at the beginning of the project and have not matched due to 1) longer time spent on environmental assessment, and 2) cash accounting (expenditures lag work completed). The design work to date has not been invoiced by the contractor in accordance with the contract with the Authority; this was not anticipated when the budget milestone estimates were developed. In addition to design, work to complete permitting and right of way agreements is in progress but has also not been expended and is included in the milestone payment agreement with the contractor. Due to the significant lag in payment expenditures versus work being completed by the construction contractor, it is unlikely expenditures will catch up to budget milestones until the construction reaches the significant completion milestone near the end of this year. (Note: The percent complete number is rounded from 6.7%, actual amount drawn as of 6/30/11 to 7% to allow for entry into the PDF)
2b.	Environmental Assessment	100	No Variance
2c.	Network Design	50	No variance
2d.	Rights of Way	50	VDOT permit applications submitted but not all approved which was anticipated in the forecast for Qtr 2, No agreement yet with electric utility due to negotiations over make ready costs which was not anticipated. Negotiations with the electric utility are in progress and expected to be completed in Qtr 3. Have completed negotiations with Towns to lease space for point of presence facilities.
2e.	Construction Permits and Other Approvals	60	Some of the permits are not affected by the current delay in design and right of way negotiations such as railroad permits. At this time we anticipate significant completion of permitting and approvals in Qtr 4.
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	15	The contractor has ordered materials that would not be affected by a change in deployment technique (i.e. aerial to underground). Until a final design is approved, which could potentially change deployment in some areas to underground in order to bypass areas of high make ready expense, the bill of materials cannot be developed. It would not be fiscally prudent to expend funds for materials that may not be needed.
2h.	Network Build (all components - owned, leased, IRU, etc)	1	Construction was originally expected to begin by the end of Qtr 2 with the placement of point of presence (POP) facilities in Luray, Stanley, Shenandoah and Rileyville. Only the facility in Luray was constructed (facility only no equipment) at the end of Qtr 2.
2i.	Equipment Deployment	0	No Variance
2j.	Network Testing	0	No Variance

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
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).

Work continued on schedule until near the very end of Quarter 2 when the electric utility presented their cost estimate for completing make ready work. Their estimate is far beyond expectations and the project budget, and they have additionally stated the work could not be completed timely. At this time the contractor is reassessing the design to find ways to bypass areas of high make ready and presented that plan to the Authority on July 26th. This new design will impact the schedule and budget, and require an amendment to the EA and re-consultation with environmental agencies if deployment type is changed to underground. Permit applications may need to be resubmitted with changes as well. The Authority intends to work with the FPO and Grants Coordinator to address any project modifications.

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	Original baseline submitted in July 2010 anticipated construction would be underway in Qtr 2 with 9 miles of fiber deployed. The revised baseline submitted January 2011 incorporated the schedule from the construction contractor and revised the miles of fiber deployed to 0 since they would first be setting Point of Presence facilities and equipment. The PPR variance reporting utilizes the revised baseline, and there is no variance at this time.
New network miles leased	0	No Variance
Existing network miles upgraded	0	No Variance
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	0	Original baseline submitted in July 2010 anticipated construction would be underway in Qtr 2 with 9 miles of fiber deployed. The revised baseline submitted January 2011 incorporated the schedule from the construction contractor and revised the miles of fiber deployed to 0 since they would first be setting Point of Presence facilities and equipment. The PPR variance reporting utilizes the revised baseline, and there is no variance at this time.
Number of new wireless links	0	No Variance
Number of new towers	0	No Variance
Number of new and/or upgraded interconnection points	0	No Variance

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	0
Average term of signed agreements (in quarters)	40

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:
Shenandoah Long Distance Company (Shentel)--a wholesale broadband provider

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:
No services established at this time, network has not yet been constructed.

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).
Shentel will operate all 39-miles of the Page County Broadband Authority network as contractor. Lease agreement includes all maintenance required on the network infrastructure and operating equipment.
Contact: James Funkhouser (james.funkhouser@emp.shentel.com)

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	Lease Agreement signed, network not yet constructed
	Providers with signed agreements receiving improved access	0	N/A
	Providers with signed agreements receiving access to dark fiber	0	Lease Agreement signed, network not yet constructed
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
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 or subscribers for each	0	N/A
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

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	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).
Network has not yet been constructed

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	Network not yet constructed

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
Point of presence facilities will be set in place and agreements complete with all of the Towns for ground leases. The pole attachment agreement between the electric utility and the Authority will be complete. Designs will be re-engineered and make ready negotiations complete. Reconsultation with environmental agencies will be initiated and a project modification request submitted for approval. The construction contractor will be selected, under contract, and a wage determination request submitted to the NTIA/Dept of Labor liaison as necessary. Permitting will be resubmitted where necessary. A public kick off event will be held in August.

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	30	Extremely high make ready costs will require change in deployment to an estimated 50% underground. Network redesign in progress as well as changes to permitting and environmental assessment.
2b.	Environmental Assessment	90	Reinitiation of environmental consultations for areas changed to underground construction, amendment to EA in progress. Anticipated completion of the new EA is anticipated by the end of Q4 (Dec. 31, 2011).
2c.	Network Design	50	Redesign of portions of network changing from aerial to underground construction. No change to route or route miles to be deployed.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2d.	Rights of Way	75	Work will be in progress for solidifying pole agreement with electric cooperative and VDOT ROW due to a deployment modification. Anticipated completion of these agreements by the end of Q4.
2e.	Construction Permits and Other Approvals	60	Permitting in progress with VDOT for areas changed to underground deployment.
2f.	Site Preparation	0	No Variance
2g.	Equipment Procurement	15	Will not procure any more materials or equipment until design is finalized.
2h.	Network Build (all components - owned, leased, IRU, etc.)	0	Redesign and permitting in progress, construction will not have started.
2i.	Equipment Deployment	0	Equipment deployment delayed until after construction of fiber which will not have started in this quarter.
2j.	Network Testing	0	No Variance
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).

At the present time the project is estimated to be approximately 90 days behind schedule due to an unreasonable make ready estimate provided by the electric utility in addition to their inability to perform the needed work timely. The design will be under evaluation for changes in the 3rd quarter and a project modification request submitted to the FPO in addition to any reconsultation for an EA amendment. The redesign may include a change in deployment to underground to bypass high make ready areas, but will require re-engineering and an estimated additional 60 days to resubmit construction and environmental permitting. No change in the physical route or miles deployed are anticipated at this time. The Authority will work closely with the FPO and Grants Coordinator to complete required reports and seek approvals as required.

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	\$320,362	\$64,073	\$256,289	\$103,364	\$20,673	\$82,691	\$118,935	\$23,787	\$95,148
b. Land, structures, right-of-ways, appraisals, etc.	\$374,522	\$74,904	\$299,618	\$0	\$0	\$0	\$62,500	\$12,500	\$50,000
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$188,825	\$37,765	\$151,060	\$28,010	\$5,602	\$22,408	\$121,354	\$24,271	\$97,083
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$82,500	\$16,500	\$66,000	\$436	\$87	\$349	\$436	\$87	\$349
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	\$453,730	\$90,746	\$362,984	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$641,237	\$128,247	\$512,990	\$0	\$0	\$0	\$0	\$0	\$0
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$2,061,176	\$412,235	\$1,648,941	\$131,810	\$26,362	\$105,448	\$303,225	\$60,645	\$242,580
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$2,061,176	\$412,235	\$1,648,941	\$131,810	\$26,362	\$105,448	\$303,225	\$60,645	\$242,580

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
---	--------------------------------