

**QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS**

**General Information**

<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b>  Department of Commerce, National Telecommunications and Information Administration	<b>2. Award Identification Number</b>  NT10BIX5570060	<b>3. DUNS Number</b>  964250450
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<b>4. Recipient Organization</b>  Pine Telephone Company, Inc. 2nd at North Park Dr, Broken Bow, OK 74728-0548
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<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  12-31-2011	<b>6. Is this the last Report of the Award Period?</b>  <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.

<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Cooper Brown  Chief Technology Officer	<b>7c. Telephone (area code, number and extension)</b>  5803061020
	<b>7d. Email Address</b>  pinetel@pine-net.com

<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  02-13-2012
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**Project Indicators (This Quarter)**

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

Pine Telephone Company (PTC) has completed base construction on 28 of the 29 new towers and erected 18 of the 29 towers. Prefabricated buildings have been set at 28 sites and all sites with towers erected now have fences. PTC has installed the RNC and broadband access equipment on 14 towers and turned up 5 microwave links. Pine is continuing its network testing and has deployed broadband to 1 Community Anchor Institution and also with friendly users.

**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	34	Overall project total is lower than other milestones because broadband access equipment will not be billed until after 10 sites are fully in-service. In other words, overall completion is below predictions because Pine Telephone Company will not pay for the equipment until at least 10 sites are fully complete.
2b.	Environmental Assessment	100	Completed and submitted
2c.	Network Design	100	-
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	100	-
2f.	Site Preparation	90	Continuing progress
2g.	Equipment Procurement	70	The RFP and contracting process has taken longer than anticipated but over 90% of the equipment is now under contract and being delivered. Actual procurement will lag behind baseline projected procurement, but Pine plans to be back on schedule in Q1 2012.
2h.	Network Build (all components - owned, leased, IRU, etc)	62	The RFP and contracting process has taken longer than anticipated but over 90% of the equipment is now under contract and being delivered. Actual procurement will lag behind baseline projected procurement, but Pine plans to be back on schedule in Q1 2012.
2i.	Equipment Deployment	48	The RFP and contracting process has taken longer than anticipated but over 90% of the equipment is now under contract and being delivered. Actual procurement will lag behind baseline projected procurement, but Pine plans to be back on schedule in Q1 2012.
2j.	Network Testing	45	The RFP and contracting process has taken longer than anticipated but over 90% of the equipment is now under contract and being delivered. Actual procurement will lag behind baseline projected procurement, but Pine plans to be back on schedule in Q1 2012.
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).**

Rain has been a factor in the State of Oklahoma and has slowed the erection of new towers and has slowed the utility companies getting power to the sites.

**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	34	Pine has added 34 new miles of Microwave link.
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	N/A
Number of new wireless links	5	The RFP and contracting process has taken longer than anticipated, but over 90% of the equipment is now under contract and being delivered. Actual procurement will lag behind baseline projected procurement, but Pine plans to be back on schedule in Q1 of 2012.
Number of new towers	18	The RFP and contracting process has taken longer than anticipated, but over 90% of the equipment is now under contract and being delivered. Actual procurement will lag behind baseline projected procurement, but with 31 of the 32 tower sites having passed the RFP and procurement phase, Pine plans to be back on schedule in Q1 of 2012.
Number of new and/or upgraded interconnection points	2	N/A

For questions 5 and 6 please include information relating to agreements that you are negotiating or have entered into, or that your sub recipient, contractor or subcontractor is negotiating or entered into.

5a. If applicable, please provide the following information with regard to agreements with broadband wholesalers and/or last mile providers as a result of your project.

Indicators	
Number of signed agreements with broadband wholesalers or last mile providers	0
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	0
Average term of signed agreements (in quarters)	0

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:  
N/A

5c. What wholesale services are being provided by this project? Please describe below. As an attachment to this report, please provide pricing plans (in \$ per month) associated with each wholesale service provided by your product (100 words or less). Wholesale services description:

N/A

5d. If you have designated a third party to operate all or a portion of your network, please provide the name and contact information for this third party, indicate if this entity is a sub recipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this this third party operates (600 words or less).

N/A

6. Please provide the data according to the type of subscriber. Write "0" in the Total column and "N/A" in the Narrative column if your project does not pass or serve a particular subscriber type. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (300 words or less).

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
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Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
<b>Broadband Wholesalers or Last Mile Providers</b>	<b>Providers with signed agreements receiving new access</b>	0	N/A
	<b>Providers with signed agreements receiving improved access</b>	0	N/A
	<b>Providers with signed agreements receiving access to dark fiber</b>	0	N/A
	<b>Please identify the speed tiers that are available and the number of subscribers for each</b>	0	N/A
<b>Community Anchor Institutions (including Government institutions)</b>	<b>Total subscribers served</b>	1	The RFP and contracting process has taken longer than anticipated, but over 90% of the equipment is now under contract and being delivered. Actual procurement will lag behind baseline projected procurement, but Pine plans to be back on schedule in Q1 of 2012.
	<b>Subscribers receiving new access</b>	0	The RFP and contracting process has taken longer than anticipated, but over 90% of the equipment is now under contract and being delivered. Actual procurement will lag behind baseline projected procurement, but Pine plans to be back on schedule in Q1 of 2012.
	<b>Subscribers receiving improved access</b>	1	The RFP and contracting process has taken longer than anticipated, but over 90% of the equipment is now under contract and being delivered. Actual procurement will lag behind baseline projected procurement, but Pine plans to be back on schedule in Q1 of 2012.
	<b>Please identify the speed tiers that are available and the number or subscribers for each</b>	0	The RFP and contracting process has taken longer than anticipated, but over 90% of the equipment is now under contract and being delivered. Actual procurement will lag behind baseline projected procurement, but Pine plans to be back on schedule in Q1 of 2012.
<b>Residential / Households</b>	<b>Entities passed</b>	0	The delay of construction caused by the FONSI, the equipment change request and longer than expected RFP and contracting process has delayed this milestone significantly. However, Pine will be making up for lost time as many sites will be turned up at once. Pine Telephone expects to be live to customers in Q1 of 2012.
	<b>Total subscribers served</b>	0	The delay of construction caused by the FONSI, the equipment change request and longer than expected RFP and contracting process has delayed this milestone significantly. However, Pine will be making up for lost time as many sites will be turned up at once. Pine Telephone expects to be live to customers in Q1 of 2012.
	<b>Subscribers receiving new access</b>	0	The delay of construction caused by the FONSI, the equipment change request and longer than expected RFP and contracting process has delayed this milestone significantly. However, Pine will be making up for lost time as many sites will be turned up at once. Pine Telephone expects to be live to customers in Q1 of 2012.
	<b>Subscribers receiving improved access</b>	0	The delay of construction caused by the FONSI, the equipment change request and longer than expected RFP and contracting process has delayed this milestone significantly. However, Pine will be making up for lost time as many sites will be turned up at once. Pine Telephone expects to be live to customers in Q1 of 2012.
	<b>Please identify the speed tiers that are available and the number of subscribers for each</b>	0	The delay of construction caused by the FONSI, the equipment change request and longer than expected RFP and contracting process has delayed this milestone significantly. However, Pine will be making up for lost time as many sites will be turned up at once. Pine Telephone expects to be live to customers in Q1 of 2012.
<b>Businesses</b>	<b>Entities passed</b>	0	The delay of construction caused by the FONSI, the equipment change request and longer than expected RFP and contracting process has delayed this milestone significantly. However, Pine will be making up for lost time as many sites will be turned up at

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
			once. Pine Telephone expects to be live to customers in Q1 of 2012.
	<b>Total subscribers served</b>	0	The delay of construction caused by the FONSI, the equipment change request and longer than expected RFP and contracting process has delayed this milestone significantly. However, Pine will be making up for lost time as many sites will be turned up at once. Pine Telephone expects to be live to customers in Q1 of 2012.
	<b>Subscribers receiving new access</b>	0	The delay of construction caused by the FONSI, the equipment change request and longer than expected RFP and contracting process has delayed this milestone significantly. However, Pine will be making up for lost time as many sites will be turned up at once. Pine Telephone expects to be live to customers in Q1 of 2012.
	<b>Subscribers receiving improved access</b>	0	The delay of construction caused by the FONSI, the equipment change request and longer than expected RFP and contracting process has delayed this milestone significantly. However, Pine will be making up for lost time as many sites will be turned up at once. Pine Telephone expects to be live to customers in Q1 of 2012.
	<b>Please identify the speed tiers that are available and the number of subscribers for each</b>	0	The delay of construction caused by the FONSI, the equipment change request and longer than expected RFP and contracting process has delayed this milestone significantly. However, Pine will be making up for lost time as many sites will be turned up at once. Pine Telephone expects to be live to customers in Q1 of 2012.

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

N/A

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

**8b. If so, please describe the changes (300 words or less).**

N/A

**9. Community Anchor Institutions:**

Using the table below, please provide a list by service area of the community anchor institutions (including Government institutions) connected to your network as a result of BTOP funds. Figures should be reported for the most recent reporting quarter only (NOT cumulatively). Also indicate whether your organization is currently providing broadband service to the anchor institution. Finally, provide a short narrative description with examples of how institutions are using BTOP-funded infrastructure (300 words or less).

Institution Name	Service Area (town or county)	Type of Anchor Institution (as defined in your baseline)	Are you also the broadband service provider for this institution? (Yes / No)	Narrative description of how anchor institutions are using BTOP-funded infrastructure
Haworth VFD (Volunteer Fire Department)	Haworth	Volunteer Fire Department	Yes	Haworth VFD is using Pine's Broadband Internet access for mapping and research.

**Project Indicators (Next Quarter)**

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

Pine Telephone will continue the excellent progress of its network build-out and plans to be live to customers in Q1 of 2012. Pine plans on having a total of 125.13 new network miles deployed and serve a total of 10 new CAI (Community Anchor Institutions) subscribers in Q1 2012.

**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	74	The reason for overall completion lagging behind milestone completion is because Pine Telephone Company will not pay equipment vendors until after it is up and running.
2b.	Environmental Assessment	100	Completed and submitted
2c.	Network Design	100	Completed
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	100	Completed and approved
2f.	Site Preparation	95	-
2g.	Equipment Procurement	90	-
2h.	Network Build (all components - owned, leased, IRU, etc.)	80	-
2i.	Equipment Deployment	80	-
2j.	Network Testing	80	-
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).**

The challenge for Pine continues to be the Oklahoma weather.

**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	\$160,000	\$32,000	\$128,000	\$160,000	\$32,000	\$128,000	\$160,000	\$32,000	\$128,000
b. Land, structures, right-of-ways, appraisals, etc.	\$2,693,651	\$538,730	\$2,154,921	\$1,009,794	\$201,959	\$807,835	\$2,020,238	\$404,048	\$1,616,190
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$320,000	\$64,000	\$256,000	\$30,402	\$6,081	\$24,321	\$96,000	\$19,200	\$76,800
e. Other architectural and engineering fees	\$87,000	\$17,400	\$69,600	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$43,500	\$8,700	\$34,800	\$0	\$0	\$0	\$32,625	\$6,525	\$26,100
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$2,495,000	\$499,000	\$1,996,000	\$1,689,452	\$337,890	\$1,351,562	\$1,871,250	\$374,250	\$1,497,000
j. Equipment	\$6,040,947	\$1,208,190	\$4,832,757	\$1,187,791	\$237,558	\$950,233	\$4,530,710	\$906,142	\$3,624,568
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>l. SUBTOTAL (add a through k)</b>	<b>\$11,840,098</b>	<b>\$2,368,020</b>	<b>\$9,472,078</b>	<b>\$4,077,439</b>	<b>\$815,488</b>	<b>\$3,261,951</b>	<b>\$8,710,823</b>	<b>\$1,742,165</b>	<b>\$6,968,658</b>
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>n. TOTALS (sum of l and m)</b>	<b>\$11,840,098</b>	<b>\$2,368,020</b>	<b>\$9,472,078</b>	<b>\$4,077,439</b>	<b>\$815,488</b>	<b>\$3,261,951</b>	<b>\$8,710,823</b>	<b>\$1,742,165</b>	<b>\$6,968,658</b>

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: \$1,516,090      b. Program Income to Date: \$0