

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 NT10BIX5570066	3. DUNS Number 066723990
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4. Recipient Organization

Bristol Virginia Utilities Board 15022 Lee Hwy
 , Bristol, VA 24202-4256

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
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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 Mollie Salyer	7c. Telephone (area code, number and extension) X
	7d. Email Address msalyer@bvub.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 02-15-2012
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Project Indicators (This Quarter)

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

As mentioned in previous PPR report, OIG requested BVU to adjust our in-kind match funds, to reflect additional in-kind value for ROW agreement with VDOT and for existing fiber and equipment not taken into account at time of original application. Per OIG Office and our FPO, they requested that the in-kind changes be reflected in the PPR reports for 2011-Q3, which they were. However, we have had an outstanding question on how to reflect in award documentation (i.e. how should the budget be altered to reflect changes). Based on direction from our FPO, the preferred method to account for the in-kind valuation going forward is as follows.

(1) Total in-kind dollars in accordance with OIG findings is: \$22,402,587.60. (a. Cash: 5,659,502.60; b. Land/Structures: 691,431.00 c. Network: \$14,697,930.00; d. Equipment: \$1,353,724.00)

(2) However, in order to reach our needed match amount, only \$13,522,525.60 was used for the application and thus will be the amount reported on going forward.

(3) Also, after discussions with FPO, it was decided the best method to recognize the in-kind use was in relation to the new miles of fiber being built (i.e. prorate in-kind amount over projected 388 miles being built and report in accordance to miles completed each reporting period).

***** Percentages AND expenditures (due to new formula to apply in-kind formula based on miles completed vs. applying all) shown will be reflected lower than last PPR due to the change in the in-kind method, however, going forward we should now have consistency. *****

During Q4-2011, BVU Authority continued with building out routes for the project, which included construction and engineering activities, as well as receiving and deploying materials. Both engineering and construction are progressing well, with only slight lingering setbacks due to encountering hard rock during fiber drilling in previous quarter. It is fully expected that BVU will overcome delay over the next two quarters. Currently, BVU Authority and construction contractor, Edwards Telecommunications, Inc., have finished construction of 4 routes. Splicing of fiber is complete for one route. Other three routes scheduled to be splice by end of Jan 2012. There are currently 18 additional routes in progress, while engineering firm Thompson & Litton continues engineering on remaining 7 routes. As of the end of the quarter, approximately 120 miles were constructed.

BVU and Thompson & Litton continue to work with USDA Forest Service to complete necessary work on National Forest build permits (during the growing season). This work was anticipated to be finished by the end of Q3-2011, but Forest Service has been slow to process. Expect completion no later than Q1-2012 in time for growing season.

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	38	*****Please note that many of the percentages are lower than last report due to the change in in-kind valuation and reporting (see #1 above for more info). Based on expensed versus project dollars. Baseline projected 148.5 miles built out by end of Q1 2012 and we are currently at 120 at the end of Q4 2011. Good progress was made last quarter and expectation is that this rate of build out will continue.
2b.	Environmental Assessment	100	All assessments are complete.
2c.	Network Design	61	Emphasis was put on getting design and engineering complete during this quarter, so significant progress was made
2d.	Rights of Way	61	Agreement with Virginia Department of Transportation gives BVU Rights-of-Way for all routes. Percent complete based on new method to account for in-kind use described in overview above
2e.	Construction Permits and Other Approvals	61	Allocation of 5% of Engineering dollars to Construction Permits. Done in conjunction with Network Design, so projection is consistent with Network Design percentage.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2f.	Site Preparation	39	Allocation of 0.5% of Construction dollars to Site Preparation, so projection is consistent with Network Build percentage.
2g.	Equipment Procurement	15	BVU still has not begun equipment procurement. Dollars charged to this category so far are in-kind dollars based on new methodology. Expect first wave of new equipment dollars to be expended in next quarter.
2h.	Network Build (all components - owned, leased, IRU, etc)	39	Network build percentage affected by change in-kind dollars methodology. Actual federal dollars expended is in line with percentage build out of miles.
2i.	Equipment Deployment	0	No electronics have been installed as yet. Expect first route to be lit this quarter.
2j.	Network Testing	0	Network testing has not begun to have dollars charged to it, as no electronics are on the network yet.
2k.	Other (please specify): Grant Prep	100	Completed.

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).

We have been waiting for the US Forest Service to give us a permit to build along the Virginia Creeper Trail for several months now. The window for building in the US Forest Service controlled land is fast approaching and we will need the permit before then. We have already had the environmental assessment approved by them, but they are painfully slow to approve permit. This has not had an impact to schedule as yet, but will if no permit received by April, it may become an issue.

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	120	Good progress made in the quarter. Added 21 miles of fiber.
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)	120	Good progress made in the quarter. Added 21 miles of fiber.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	2	No new interconnection points added this quarter as emphasis was to continue build out on multiple routes versus splicing the fiber, however, 6 routes are scheduled to be completed and spliced in 2012-Q1.

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)	0

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:
 Virginia Department of Transportation (VDOT). We provide 12 strands of dark fiber in exchange for right-of-way access, in perpetuity.

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:
 We are providing dark fiber access to the Virginia Department of Transportation at no cost in exchange for right-of-way access. Wholesale prices listed in previous reports.

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)
Broadband Wholesalers or Last Mile Providers	Providers with signed agreements receiving new access	0	N/A
	Providers with signed agreements receiving improved access	0	N/A
	Providers with signed agreements receiving access to dark fiber	1	BVU Authority has an Memo of Understanding with the Virginia Department of Transportation to provide lease of dark fiber for two routes in exchange for use of VDOT ROW.
	Please identify the speed tiers that are available and the number of subscribers for each	9	Available rates via wholesale are as follows (# subs): 10 Mbps (0); 50 Mbps (0); 100 Mbps (0); 200 Mbps (0); 400 Mbps (0); 1000 Mbps (0); 2.5 Gbps (0); 10 Gbps (0); OC-3 Sonet (0)
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).
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 BTOF 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 BTOF-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 BTOF-funded infrastructure
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).
 - Continued engineering of 7 remaining routes
 - Complete construction of 9 of the current 15 routes in progress; start construction on 8 more routes. 23 more miles projected.
 - Continue completion and submittal of pole, RR, and construction permits
 - Receive National Forest Permit
 - First route will be lit to allow connection for last mile service.

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	55	Percentage reflects change to in-kind utilization reporting. Also, plan is to bring on more construction resources over the next two quarters to hit the 2/3 complete goal at end of second year.
2b.	Environmental Assessment	100	Complete.
2c.	Network Design	75	Expect that 3/4 of the routes will be fully engineered by end of quarter.
2d.	Rights of Way	75	This category is an allocated in relation to Network Design, and will incur proportionately.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2e.	Construction Permits and Other Approvals	75	This category is an allocated 0.5% of Network Design, and will incur proportionately.
2f.	Site Preparation	51	This category is an allocated 0.5% of Network Build, and will incur proportionately.
2g.	Equipment Procurement	23	As routes are being completed and lit during this quarter, equipment will start to be procured and deployed, as well as, in-kind utilization per miles build out.
2h.	Network Build (all components - owned, leased, IRU, etc.)	51	Plan is to bring on more construction resources over the next two quarters to hit the 2/3 complete goal at end of second year.
2i.	Equipment Deployment	3	First route planned to be lit in quarter
2j.	Network Testing	3	First route planned to be lit in quarter
2k.	Other (please specify): Grant Prep	100	Completed

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).

We have been waiting for the US Forest Service to give us a permit to build along the Virginia Creeper Trail for several months now. The window for building in the US Forest Service controlled land is fast approaching and we will need the permit before April, or it may become an issue.

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	\$65,000	\$1,000	\$64,000	\$61,834	\$951	\$60,883	\$62,362	\$959	\$61,403
b. Land, structures, right-of-ways, appraisals, etc.	\$938,279	\$698,279	\$240,000	\$324,222	\$222,769	\$101,453	\$426,565	\$302,021	\$124,544
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$1,395,176	\$279,035	\$1,116,141	\$884,472	\$176,894	\$707,578	\$969,589	\$193,917	\$775,672
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$638,352	\$127,670	\$510,682	\$0	\$0	\$0	\$0	\$0	\$0
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	\$31,366,498	\$11,339,310	\$20,027,188	\$13,520,898	\$4,270,987	\$9,249,911	\$16,495,165	\$5,449,041	\$11,046,124
j. Equipment	\$1,817,231	\$1,077,231	\$740,000	\$275,948	\$275,948	\$0	\$532,828	\$409,495	\$123,333
k. Miscellaneous									
l. SUBTOTAL (add a through k)	\$36,220,536	\$13,522,525	\$22,698,011	\$15,067,374	\$4,947,549	\$10,119,825	\$18,486,509	\$6,355,433	\$12,131,076
m. Contingencies									
n. TOTALS (sum of l and m)	\$36,220,536	\$13,522,525	\$22,698,011	\$15,067,374	\$4,947,549	\$10,119,825	\$18,486,509	\$6,355,433	\$12,131,076

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