

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 NT10BIX5570104	3. DUNS Number 153873930
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4. Recipient Organization

Contact Network Inc. d/b/a InLine 600 Lakeshore Parkway, Birmingham, AL 35209-6361

5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2013	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 Michele Boner Accounting Manager	7c. Telephone (area code, number and extension) 2052788134
	7d. Email Address mboner@inline.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 02-27-2014
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Empty space for additional comments or signatures

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 During this quarter construction maps and detailed drawings were created and used to submit permits to various entities including the Mississippi Department of Transportation and various City and County governments. Also during this quarter our final route modification was approved which will allow us to build laterals to additional Community Anchor Institutions. Five new miles of fiber were constructed bringing the total miles constructed to 306. Fourteen new anchor institutions were connected this quarter. Total anchors connected is Ninety-four.

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	100	No variance from baseline.
2b.	Environmental Assessment	100	No variance from baseline
2c.	Network Design	100	No variance from baseline
2d.	Rights of Way	99	We are still connecting CAI's via laterals and will have to continue to obtain rights of way etc. during the next quarter.
2e.	Construction Permits and Other Approvals	99	We are still connecting CAI's via laterals and will have to continue to obtain additional permits and permission from land owners during the next quarter.
2f.	Site Preparation	99	We are still connecting CAI's and site preparation for these CAI's will continue during the next quarter.
2g.	Equipment Procurement	100	No variance from baseline
2h.	Network Build (all components - owned, leased, IRU, etc)	99	We will have to construct a few laterals to connect CAI's, thus the network build will continue into next quarter.
2i.	Equipment Deployment	99	We are still connecting CAI's therefore the equipment deployment for these CAI's will continue during the next quarter.
2j.	Network Testing	99	We are still connecting CAI's therefore the network testing for these laterals/CAI's will continue during the next quarter.
2k.	Other (please specify):	0	No variance from baseline.

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 are still experiencing delays receiving permits from the Mississippi Department of Transportation permit.

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	306	Due to actual contracts signed and the focus being to provide these Community Anchor Institutions service this number varies from our initial baseline projections.
New network miles leased	218	This number exceeds our baseline projection.
Existing network miles upgraded	0	No variance from baseline

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Existing network miles leased	0	No variance from baseline
Number of miles of new fiber (aerial or underground)	306	Due to actual contracts signed and the focus being to provide these Community Anchor Institutions service this number varies from our initial baseline projections.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	12	No variance from baseline.

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	1
Average term of signed agreements (in quarters)	60

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

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:

Our wholesale service offerings will include: 10Mbps Private Network; 10Mbps Fiber Connection with Internet Access; 100Mbps Private Network; 100Mbps Fiber Connection with Internet Access; 500Mbps Private Network; 1000Mbps Private Network

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).

Not Applicable; we do not have a third party operating any part of our network

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	1	We were able to secure one wholesale contracts to provide new service, thus causing a variance from our baseline
	Providers with signed agreements receiving improved access	0	We were able to secure one wholesale contracts to provide new service not improved access, thus causing a variance from our baseline
	Providers with signed agreements receiving access to dark fiber	0	No variance from baseline
	Please identify the speed tiers that are available and the number of subscribers for each	4	10Mbps = 0 Subscribers 100Mbps = 0 Subscribers 500Mbps = 0 Subscribers 1000Mbps = 1 Subscriber

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Community Anchor Institutions (including Government institutions)	Total subscribers served	94	During this quarter we connected fourteen additional Community Anchor Institutions which varies from our baseline projections.
	Subscribers receiving new access	0	No variance from baseline.
	Subscribers receiving improved access	94	During this quarter we connected fourteen additional Community Anchor Institutions which varies from our baseline projections.
	Please identify the speed tiers that are available and the number or subscribers for each	5	10Mbps = 5 Subscribers 50Mbps = 0 Subscribers 100Mbps = 4 Subscribers 500Mbps = 0 Subscribers 1000Mbps = 85 Subscribers
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
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).
Not applicable

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

8b. If so, please describe the changes (300 words or less).
Our network management practices have not changed.

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
See Attached	See Attached	See Attached	See Attached	See Attached

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
Permits will continue to be submitted and construction of laterals to CAI's will continue. We will begin to submit our UCC filings. During this quarter we will begin the final close out audit. Also, we will be continuing to contact Community Anchor Institutions and presenting quotes/contracts for services. We anticipate installation of fifteen miles of new fiber, bringing the total miles of new fiber construction to 321 miles. The last twenty miles will consist of laterals to connect the Anchor Institutions that have given us permission to install fiber to their buildings. In our last route modification we anticipated the total miles of new fiber build would be 332 miles; the eleven mile difference in this category is due to the fact that we only have permission from thirty-eight anchors to connect their facility. The additional thirty eight anchors we plan to connect next quarter will bring our total connected to 132. This will meet the connected Community Anchor Institutions in our original application. Negotiations will continue with wholesale broadband or last mile providers. If negotiations are successful we will connect one additional wholesale provider.

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	100	No variance from baseline
2b.	Environmental Assessment	100	No variance from baseline
2c.	Network Design	100	No variance from baseline
2d.	Rights of Way	100	No variance from baseline
2e.	Construction Permits and Other Approvals	100	No variance from baseline
2f.	Site Preparation	100	No variance from baseline
2g.	Equipment Procurement	100	No variance from baseline
2h.	Network Build (all components - owned, leased, IRU, etc.)	100	No variance from baseline
2i.	Equipment Deployment	100	No variance from baseline
2j.	Network Testing	100	No variance from baseline
2k.	Other (please specify):	0	No variance from baseline

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).
As always in the south, weather could also have an impact on our planned progress.

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	\$93,905	\$18,781	\$75,124	\$109,175	\$21,835	\$87,340	\$109,175	\$21,835	\$87,340
b. Land, structures, right-of-ways, appraisals, etc.	\$384,000	\$76,800	\$307,200	\$390,933	\$78,187	\$312,746	\$390,933	\$78,187	\$312,746
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$186,000	\$37,200	\$148,800	\$42,880	\$8,576	\$34,304	\$42,880	\$8,576	\$34,304
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$359,299	\$71,860	\$287,439	\$415,812	\$83,162	\$332,650	\$415,812	\$83,162	\$332,650
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$11,339,864	\$2,267,973	\$9,071,891	\$11,270,331	\$2,331,860	\$8,938,797	\$11,310,331	\$2,371,534	\$8,938,797
j. Equipment	\$2,117,516	\$423,503	\$1,694,013	\$2,348,287	\$469,657	\$1,878,630	\$2,348,287	\$469,657	\$1,878,630
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$14,480,584	\$2,896,117	\$11,584,467	\$14,577,418	\$2,993,277	\$11,584,467	\$14,617,418	\$3,032,951	\$11,584,467
m. Contingencies									
n. TOTALS (sum of l and m)	\$14,480,584	\$2,896,117	\$11,584,467	\$14,577,418	\$2,993,277	\$11,584,467	\$14,617,418	\$3,032,951	\$11,584,467

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: \$2,354,253
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