

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 NT10BIX5570118	3. DUNS Number 165271250
4. Recipient Organization Nexus Systems, Inc. 2904 Evangeline St, Monroe , LA 71201-3724		
5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2012	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 Mark Stevenson	7c. Telephone (area code, number and extension) X	
	7d. Email Address msteve@nexussystems.net	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-24-2012	

Project Indicators (This Quarter)

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

Construction of conduit and fiber has been completed for about 95% of the route. The remaining fiber construction item is the termination point in Pineville which is being redesignated as a lateral and should be completed in the next quarter. Foundations for co-location buildings have been completed and buildings placed. Renovations of the point of presence site in Vienna are 90% completed with completion next quarter. Fiber terminations and testing in three co-location sites are completed with two remaining. Fiber transmission equipment is in test with deployment available upon completion of fiber terminations at Vienna and Pineville. Major procurements for equipment have been completed with the exception of routing switches for which competitive models are being tested next quarter. Nexus has been contacted by (4) major providers requesting information for broadband agreements with timelines for implementation. These potential partners have also provided significant assistance with suggestions for promoting co-locations and terminations into telecommunications central offices. These suggestions have prompted some changes in the network configurations in order to improved the network to accommodate needs of these stakeholders. Multiple critical anchor institution sites are being prepared for Summer conversion to the new network as this period will provide a less obtrusive conversion for schools, public offices, and similar sites.

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	67	Percentage completion is based on federal funds expended. Significant construction has been completed with the original primary construction route completed with power, fencing, and similar finishing work being done at this time. The termination point at Pineville is not yet completed as this site is being redesignated a lateral. The site will be completed in the next quarter. The primary construction plan is on schedule and will be completed within grant guidelines.
2b.	Environmental Assessment	100	Environmental assessment is completed as projected.
2c.	Network Design	95	Network design is substantially completed. Modifications are being re-worked due to minor changes in equipment layouts.
2d.	Rights of Way	100	Acquisition is complete.
2e.	Construction Permits and Other Approvals	100	All permits have been obtained.
2f.	Site Preparation	95	Co-location sites have foundations and buildings set in Dry Prong, Winnfield, and Jonesboro. Additional construction for power, fencing, and similar finishing is underway. Construction and renovation of the Vienna site is underway and completed except for power additions being installed. The site at Pineville is being changed to terminate in existing structure and will be completed next quarter.
2g.	Equipment Procurement	90	Fiber transmission equipment received and in testing. Routing/switching equipment is pending awaiting final confirmations of network design.
2h.	Network Build (all components - owned, leased, IRU, etc)	90	Build is on schedule. Change order pending for termination point at Pineville to be a lateral with termination point at AT&T central office. Other components on schedule for second quarter completions.
2i.	Equipment Deployment	0	Fiber transmission equipment on site and in testing, but not released for deployment. Routing and switching equipment on order.
2j.	Network Testing	0	Network testing contingent on deployment of fiber transmission equipment and routing/switching equipment.
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).

The project is on schedule for initial fiber construction. Fiber placement is complete with splice points completed except for the end points North (Vienna) and South (Huey P Long Hospital). Fiber termination South was delayed due to changing the location to be a lateral as opposed to a terminating point of presence. Initial design called for a co-location building to be constructed/installed at the

site. Due to the State Board of Regents BTOP being cancelled, the hospital site will now be an anchor institution and not a point of presence. The installation is now being changed to terminate directly in the hospital as opposed to additional constructions. There is no change in environmental assessment, but minor delay in completion at this site. Construction/renovation at the North (Vienna) site was to be completed by end of quarter, but ran into the second quarter due to breakout of the construction into multiple contracts to achieve better pricing. No other significant external challenges are delaying the project.

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	Construction of 120 miles of conduit build completed at this time with 120 miles of fiber placement in the conduit. Terminations and testing underway at this time.
New network miles leased	0	N/A - No leasing is currently in the project
Existing network miles upgraded	0	N/A - No existing network mileage is projected in the plan
Existing network miles leased	0	N/A - No existing network mileage is projected in the plan
Number of miles of new fiber (aerial or underground)	120	Construction of 120 miles of conduit build completed at this time with 120 miles of fiber placement in the conduit. Terminations and testing underway at this time.
Number of new wireless links	0	Wireless links scheduled for upgrade in Summer 2012
Number of new towers	0	N/A - No new towers projected in the plan
Number of new and/or upgraded interconnection points	0	Interconnection points scheduled for Summer 2012

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:

We not no signed agreements at this point in the project. We have initial contact with three providers for whom we are providing network maps and seeking negotiations at this time.

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:

Wholesale agreements or related pricing plans have not been established at this point in the project.

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 - There is no planned third party to operate the 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	0	Network not available for subscribers due to construction in progress
	Providers with signed agreements receiving improved access	0	Network not available for subscribers due to construction in progress
	Providers with signed agreements receiving access to dark fiber	0	Network not available for subscribers due to construction in progress
Community Anchor Institutions (including Government institutions)	Please identify the speed tiers that are available and the number of subscribers for each	0	Network not available for subscribers due to construction in progress
	Total subscribers served	0	Network not available for subscribers due to construction in progress. Anchor institutions in Lincoln, Jackson, and Winn Parishes are being moved to the network, but have not been completed as of end of quarter.
	Subscribers receiving new access	0	Network not available for subscribers due to construction in progress
	Subscribers receiving improved access	0	Network not available for subscribers due to construction in progress
Residential / Households	Please identify the speed tiers that are available and the number of subscribers for each	0	Network not available for subscribers due to construction in progress
	Entities passed	0	Network not available for subscribers due to construction in progress
	Total subscribers served	0	Network not available for subscribers due to construction in progress
	Subscribers receiving new access	0	Network not available for subscribers due to construction in progress
	Subscribers receiving improved access	0	Network not available for subscribers due to construction in progress
Businesses	Please identify the speed tiers that are available and the number of subscribers for each	0	Network not available for subscribers due to construction in progress
	Entities passed	0	Network not available for subscribers due to construction in progress
	Total subscribers served	0	Network not available for subscribers due to construction in progress
	Subscribers receiving new access	0	Network not available for subscribers due to construction in progress
	Subscribers receiving improved access	0	Network not available for subscribers due to construction in progress

7. Please describe any special offerings you may provide (600 words or less).
 N/A - No special offerings are planned at this time.

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 - Network management practices have not changed during the quarter.

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 available for subscribers due to construction in progress

Project Indicators (Next Quarter)

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

Completion of co-location buildings and lighting of fiber is planned for the second quarter. This will include completion of co-location facilities, power systems, and backups, and installation of fiber transmission and routing equipment. Installation of a Taqua T7000 series switch is expected to be completed in the next quarter in order to provide greater connectivity to last mile providers. Nexus has negotiated a cooperative endeavor agreement with the Louisiana State Department of Transportation (DOT) to incorporate approximately additional mileage of existing DOT dark fiber into the project which will allow fiber to certain critical anchor institutions in lieu of original planned microwave extensions. A project modification for this purpose is being submitted this quarter with expectation of change orders for the end of the quarter or first of next quarter. The modification will essentially double the planned fiber mileage but remain within the original budget. The project modification will also include a request to change the point of presence termination at Pineville to the AT&T central office at Alexandria in order to allow greater connectivity for Nexus and broadband providers. The additional mileage is not expected to be completed during the next quarter (June 2012), but will be completed withing the following quarter (October 2012). Ongoing work will be to connect critical anchor institutions and negotiating with wholesale and last mile providers. Nexus has been contacted by multiple providers seeking services with providers seeking agreements after fiber is lighted. We expect to complete agreements with some at least 3 providers during the Summer period. Field work for connecting critical anchor institutions has been completed for many sites with Summer conversion slated for a number of educational and governmental sites. A significant number of the critical anchor sites are expected to be completed during the Summer overlapping into the third quarter. We expect to complete installations for at least 40 CAI sites during the next quarter.

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	72	Project is on schedule for original planned completion. Project modifications noted above may extend final completion date, but will not impede services schedules.
2b. Environmental Assessment	100	Original environmental review is complete. Additional environmental review may be required due to project modification being requested. The percent complete is noted at 100% in anticipation there will be no additional environmental requirements.
2c. Network Design	95	Original network design will be completed. Modifications in design may be required due to project modification being requested.
2d. Rights of Way	100	Rights of way secured for original design and planned project modification
2e. Construction Permits and Other Approvals	100	Permits secured for original design and planned project modification
2f. Site Preparation	95	Original site preparation will be completed. Minor additions due to planned project modification may be required.
2g. Equipment Procurement	95	Original equipment procurement will be completed. Equipment additions due to planned project modification will be required.
2h. Network Build (all components - owned, leased, IRU, etc.)	90	Original fiber network build will be completed. Planned project modification may require some network build modifications. Nexus has secured permission to add additional critical anchor institutions through cooperative agreement with the State. The additions will incorporate approximately 120 miles additional fiber to the network. These additions will be presented for approval through a project modification during the next quarter.
2i. Equipment Deployment	90	Original equipment deployment will be completed. Planned project modification will require additional equipment deployment.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2j.	Network Testing	90	Final network testing of all components will be extended due to additions from planned project modification.
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).

The primary challenge will be the planned project modification and related environmental assessment required. A budget revision reflecting reclassification of engineering expenses and additional switch equipment will be submitted. Assistance from the BTOP team in determining required assessments may be needed.

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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
b. Land, structures, right-of-ways, appraisals, etc.	\$1,642,500	\$1,005,000	\$637,500	\$1,226,421	\$1,094,263	\$132,158	\$1,226,421	\$1,094,263	\$132,158
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$216,000	\$0	\$216,000	\$1,111,748	\$144,293	\$967,455	\$1,111,748	\$144,293	\$967,455
e. Other architectural and engineering fees	\$570,000	\$570,000	\$0	\$299,218	\$258,888	\$40,330	\$340,330	\$300,000	\$40,330
f. Project inspection fees	\$150,000	\$0	\$150,000	\$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	\$8,329,504	\$1,035,600	\$7,293,904	\$4,621,518	\$776,090	\$3,845,428	\$5,000,000	\$776,090	\$4,223,910
j. Equipment	\$1,435,980	\$570,000	\$865,980	\$977,395	\$403,047	\$574,348	\$1,250,000	\$403,047	\$846,953
k. Miscellaneous	\$0	\$0	\$0	\$1,686	\$0	\$1,686	\$1,686	\$0	\$1,686
l. SUBTOTAL (add a through k)	\$12,343,984	\$3,180,600	\$9,163,384	\$8,237,986	\$2,676,581	\$5,561,405	\$8,930,185	\$2,717,693	\$6,212,492
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$12,343,984	\$3,180,600	\$9,163,384	\$8,237,986	\$2,676,581	\$5,561,405	\$8,930,185	\$2,717,693	\$6,212,492

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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