

**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>  NT10BIX5570118	<b>3. DUNS Number</b>  165271250
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<b>4. Recipient Organization</b>  Nexus Systems, Inc. 2904 Evangeline St, Monroe , LA 71201-3724
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<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  09-30-2013	<b>6. Is this the last Report of the Award Period?</b>  <input checked="" type="radio"/> Yes <input 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>  Mark Stevenson	<b>7c. Telephone (area code, number and extension)</b>  X
	<b>7d. Email Address</b>  msteve@nexussystems.net

<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  04-24-2014
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**Project Indicators (This Quarter)**

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

What are the achievements obtained through the Louisiana Piney Hills Parishes Broadband Infrastructure Project?

The accomplishments of things even greater than imagined possible when this project was begun are a true blessing for Louisiana. During the last quarter, extension of the fiber from the Red River into the Alexandria AT&T Central Office was completed with the Nexus equipment installation in the CO. Fiber extension into the Monroe AT&T Central Office was completed. The approved project modification construction tie-in for remaining sites was completed along the I20 route, as well as installation of repeater and power equipment at these sites. This construction accounted for approximately 40 miles of the additional 120 miles that were completed through the project. Testing of all aspects of the fiber and microwave build to date were accomplished with no deficiencies. Fiber laterals to Community Anchor Institution sites were also initiated or completed during the period. Negotiations with wholesale providers and third party providers to Community Anchor Institutions continued during the period.

The overall project has been an outstanding example of effective public/private partnerships with NTIA, Nexus, State government and local agencies benefiting from this investment. The original footprint from Vienna to Pineville was effectively doubled within the same budget. It provided an east/west fiber path connecting seven new communities in addition to the original new north/south corridor. New communities served include Shreveport, Bossier City, Haughton, Minden, Filmore, Arcadia, Choudrant, and West Monroe, as well as intersecting the original Highway 167 BTOP route at Ruston. Plans are already underway, with other partners, to expand the fiber footprint an additional 100 plus miles through laterals and a ring construction. Engineering is already underway to extend the I20 fiber north to Cotton Valley, Springhill, Homer, Haynesville, and Farmerville; south from Shreveport to Stonewall, Mansfield, and Logansport; and south from Monroe to Columbia. Nexus is currently working with other service providers on plans to extend the original Highway 167 route to the communities of Pollock, Georgetown, Jena, Jonesville, Harrisonburg, Ferriday, and Vidalia. The initial investment was the seed needed to grow a fiber forest in North Louisiana. Nexus is very appreciative of the opportunity to have a role in building this fiber network in Louisiana. Nexus sincerely appreciates the excellent guidance and support provided by their assigned project field officer, Mr. Scott Woods.

Benefits to stakeholders are abundantly evident. Community anchor sites are receiving GBPS service for the same or less cost than they were previously paying for copper or microwave connections. In the majority of cases, service was not available at all. This project has made reliable transport services available. Schools, in particular, are now able to meet the PARCCS testing bandwidth requirements. Providing higher standards for Internet services through the installation of the fiber has allowed increased local loop connections and has provided the infrastructure required for installation of new 10 GBPS Internet links on the backbone. Cellular carriers are currently contracting with Nexus to use the fiber backbone to bring enhanced data services to underserved rural areas of Louisiana.

Future plans as described above include expanding the fiber backbones with laterals of 20-30 miles off the backbones and creating fiber rings with different segments. Nexus, as well as other contracted carrier clients, have already received requests for major implementations of VOIP services and Internet access services for up to 10 GBPS for business clients.

A primary objective of BTOP was to bring top quality broadband Internet service to rural areas that would not be given an opportunity for broadband service without the support of BTOP funding and to serve as a springboard for even greater expansion into underserved rural areas. NTIA and Nexus Systems have surpassed the goal identified in the Louisiana Piney Hills Parishes Broadband Infrastructure Project. Through the willingness of NTIA to support a vision of what could be, a great portion of demographically isolated and economically challenged Louisiana has been blessed with the opportunity to enter the technology rich world that exists today. Thank you!

**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	Percentage completion is based on federal funds expended. Federal funds claimed during the current period were for equipment and construction required for the approved project modification. All construction including requested program modification will be completed within grant guidelines
2b.	Environmental Assessment	100	Environmental assessment is completed for primary and program modification routes.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2c.	Network Design	100	Network design is substantially complete. Minor modifications have been made during the period to reflect connections for CAI sites and program modification.
2d.	Rights of Way	100	Right of way permits for primary route and program modification are completed.
2e.	Construction Permits and Other Approvals	100	Construction permits required for ties into Windstream have been completed; no other permits were required.
2f.	Site Preparation	100	Site preparation for remaining sites (Haughton, Bossier, and Filmore) along I20 added during the program modification have been completed during the period. Other sites in the program modification have been completed and equipment was installed in the last three repeater sites.
2g.	Equipment Procurement	100	All major components for sites in the program has been secured and installed.
2h.	Network Build (all components - owned, leased, IRU, etc)	100	Remaining items in the requested program modification for I20 have been completed.
2i.	Equipment Deployment	100	Transmission equipment for the I20 program modification has been installed in all repeater sites including sites of Haughton, Bossier, and Filmore which were incomplete as of last quarter.
2j.	Network Testing	100	Network components and segments have been individually tested and end to end network testing is completed.
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).

Additional delays were encountered with scheduling for Windstream/AT&TT installations on I20, but were able to be mitigated. No other significant delays were encountered.

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 the original 120 miles is completed with testing completed.
New network miles leased	0	N/A - No leasing is currently in the project.
Existing network miles upgraded	176	Microwave extension upgrades to Farmerville, Athens, and Homer total of 56 miles were completed during Quarter 1, 2013. The original plan of 78 miles of microwave upgrades was reduced to 56 miles as the extension to Arcadia was removed with the new I20 addition. The Arcadia route will be connected on the new I20 fiber. The new I20 fiber will add 120 miles for existing miles upgraded bringing the total of miles upgraded to 176 miles. As of the end of the current quarter, the 120 miles of the I20 upgrade had been completed and tested.
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	Original construction in the Piney Woods project
Number of new wireless links	3	Three wireless links to Farmerville, Athens, and Homer deployed for a total of 56 miles of microwave path.

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Number of new towers	0	N/A No new towers projected in the plan.
Number of new and/or upgraded interconnection points	12	Interconnection points at Nexus, Vienna, Jonesboro, Winnfield, Dry Prong from the original plan have been completed. Seven interconnection sites for the project modification including Monroe, Wells Road, Ruston, Arcadia, Minden, Filmore and Bossier have been completed.

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	2
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	2
Average term of signed agreements (in quarters)	20

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: Agreements for service with Network USA and Sky rider Wireless have been obtained. Network USA will be serving cellular providers along the Highway 167 fiber route. Network USA will be serving school customers through the Nexus Monroe POP.

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 track the current AT&T MetroE pricing plan at 70% of the AT&T published pricing as proposed in the original grant application. Pricing has decreased since the original project plan submission to reflect competitive markets. Please see the two attachments for Middle Mile and Last Mile customer pricing.

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 of 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	2	Network USA (cellular) and Sky rider Wireless (Internet) are connected through the network.
	Providers with signed agreements receiving improved access	0	No providers receiving improved access
	Providers with signed agreements receiving access to dark fiber	0	No providers receiving dark fiber
	Please identify the speed tiers that are available and the number of subscribers for each	2	(1) subscriber each at speed tier of 100 Mbps and 150 Mbps

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
<b>Community Anchor Institutions (including Government institutions)</b>	<b>Total subscribers served</b>	108	Anchor institutions in Lincoln, Jackson, Winn, and Grant parishes have been connected or upgraded in segments of the network. Major third party wholesale provider for additional CAI connections in Grant Parish has requested interconnection and fiber access has been extended to serve these sites. New anchor institutions for Department of Transportation along I20 corridor have been connected as part of the approved project modification. The list of CAI sites of 110 was modified by the addition of 7 sites added through the Department of Transportation addition, but reduced by 9 sites that did not elect to have a connection. Of the 9 sites not connected, 7 were service ready and may be connected at a later date as existing contracts expire.
	<b>Subscribers receiving new access</b>	41	Hospitals in Jackson, Union, and Claiborne received new service, Sheriff in Jackson and Winn received new service as well as libraries in Bienville, Lincoln, and Winn.
	<b>Subscribers receiving improved access</b>	67	Sheriff in Union, Library in Claiborne, Jackson, Winn, hospital in Claiborne and Pineville, schools in Bienville, Claiborne, Jackson, Lincoln, Winn, Union and Grant Parishes all received improved access. University and Technical college sites and Department of Transportation offices (along I20 corridor) recieved improved service.
	<b>Please identify the speed tiers that are available and the number or subscribers for each</b>	6	Libraries, Hospitals, and Sheriff received, 100+ Mbps, Schools received 100 Mbps and 1000 Mbps. Subscriber count of 54 at 100+ Mbps Tier and count of 54 at 1000+ Mbps Tier for total of 108 CAI subscribers.
<b>Residential / Households</b>	<b>Entities passed</b>	0	N/A - Middle mile project.
	<b>Total subscribers served</b>	0	N/A - Middle mile project.
	<b>Subscribers receiving new access</b>	0	N/A - Middle mile project.
	<b>Subscribers receiving improved access</b>	0	N/A - Middle mile project.
	<b>Please identify the speed tiers that are available and the number of subscribers for each</b>	0	N/A - Middle mile project.
<b>Businesses</b>	<b>Entities passed</b>	0	N/A - Middle mile project.
	<b>Total subscribers served</b>	0	N/A - Middle mile project.
	<b>Subscribers receiving new access</b>	0	N/A - Middle mile project.
	<b>Subscribers receiving improved access</b>	0	N/A - Middle mile project.
	<b>Please identify the speed tiers that are available and the number of subscribers for each</b>	0	N/A - Middle mile project.

**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
Bienville Sheriff's Office	Arcadia	Public Safety Entity	Yes	Internet Access for law enforcement usage
Grant Parish Library	Cofax	Library	No	Transport provided to third party provider
Grant Parish Library	Montgomery	Library	No	Transport provided to third party provider
Grant Parish Library	Pollock	Library	NO	Transport provided to third party provider
Grant Parish Library	Dry Prong	Library	No	Transport provided to third party provider
Grant Parish Library	Georgetown	Library	No	Transport provided to third party provider
WinnParish Medical	Winnfield	Medical or Heathcare Provider	No	Interface provided at street pending expiration of existing contract
Tri-Ward General Hospital	Bernice	Medical or Heathcare Provider	Yes	Internet servcie for general medical use; also interface with regional hospitals
Colfax Elementary	Colfax	School (k-12)	No	Transport provided to third party provider
Dry Prong Jr.	Dry Prong	School (k-12)	No	Transport provided to third party provider
Georgetown HS	Georgetown	School (k-12)	No	Transport provided to third party provider
Grant HS	Grant	School (k-12)	No	Transport provided to third party provider
Montgomery HS	Montgomery	School (k-12)	No	Transport provided to third party provider
Pollock ES	Pollock	School (k-12)	No	Transport provided to third party provider
South Grant ES	Grant	School (k-12)	No	Transport provided to third party provider
Verda ES	Montgomery	School (k-12)	No	Transport provided to third party provider
Grant Parish Schools CO	Colfax	School (k-12)	No	Transport provided to third party provider
Louisiana Tech University	Ruston	Other Institution of Higher Education	No	Interface provided to tie university to state LONI network
Grambling University	Grambling	Other Institution of Higher Education	No	Interface provided to tie university to state LONI network
North Central LA Tech	Farmerville	Community College	No	Interface provided to tie university to state LONI network
Huey P Long Memorial Technical College	Winnfield	Community College	No	Interface provided to tie university to state LONI network
LA Technical College	Ruston	Community College	No	Interface provided to tie university to state LONI network

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
LA DOT Field Office	Monroe	Other Government Facilities	No	WAN connectivity to all sites along I20 for traffic control and related services
LA DOT Field Office	West Monroe	Other Government Facilities	No	WAN connectivity to all sites along I20 for traffic control and related services
LA DOT Field Office	Ruston	Other Government Facilities	No	WAN connectivity to all sites along I20 for traffic control and related services
LA DOT Field Office	Arcadia	Other Government Facilities	No	WAN connectivity to all sites along I20 for traffic control and related services
LA DOT Field Office	Minden	Other Government Facilities	No	WAN connectivity to all sites along I20 for traffic control and related services
LA DOT Field Office	Filmore	Other Government Facilities	No	WAN connectivity to all sites along I20 for traffic control and related services
LA DOT Field Office	Bossier City	Other Government Facilities	No	WAN connectivity to all sites along I20 for traffic control and related services

**Project Indicators (Next Quarter)**

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).  
 Project closeout is planned for next quarter. Nexus will extend services through new AT&T central office interconnections in Alexandria, Monroe, and Shreveport as well as continuing to provide new laterals services from the project backbone.

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	Project completed
2b.	Environmental Assessment	100	Project completed
2c.	Network Design	100	Project completed
2d.	Rights of Way	100	Project completed
2e.	Construction Permits and Other Approvals	100	Project completed
2f.	Site Preparation	100	Project completed
2g.	Equipment Procurement	100	Project completed
2h.	Network Build (all components - owned, leased, IRU, etc.)	100	Project completed
2i.	Equipment Deployment	100	Project completed
2j.	Network Testing	100	Project completed
2k.	Other (please specify): N/A	0	N/A

RECIPIENT NAME:Nexus Systems, Inc.

AWARD NUMBER: NT10BIX5570118

DATE: 04/24/2014

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 6/30/2015

**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).**

None - Project complete



**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	\$7,266	\$4,299	\$2,967	\$7,266	\$4,299	\$2,967
b. Land, structures, right-of-ways, appraisals, etc.	\$1,642,500	\$1,005,000	\$637,500	\$1,466,014	\$1,101,216	\$364,798	\$1,466,014	\$1,101,216	\$364,798
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$1,165,999	\$0	\$1,165,999	\$1,505,983	\$335,877	\$1,170,106	\$1,505,983	\$335,877	\$1,170,106
e. Other architectural and engineering fees	\$570,000	\$570,000	\$0	\$436,482	\$436,482	\$0	\$436,482	\$436,482	\$0
f. Project inspection fees	\$150,000	\$0	\$150,000	\$213,523	\$45,479	\$168,044	\$213,523	\$45,479	\$168,044
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	\$7,004,505	\$1,035,600	\$5,968,905	\$6,569,761	\$798,164	\$5,771,597	\$6,569,761	\$798,164	\$5,771,597
j. Equipment	\$1,810,980	\$570,000	\$1,240,980	\$2,340,806	\$655,259	\$1,685,547	\$2,340,806	\$655,259	\$1,685,547
k. Miscellaneous	\$0	\$0	\$0	\$66,059	\$65,734	\$325	\$66,059	\$65,734	\$325
<b>l. SUBTOTAL (add a through k)</b>	\$12,343,984	\$3,180,600	\$9,163,384	\$12,605,894	\$3,442,510	\$9,163,384	\$12,605,894	\$3,442,510	\$9,163,384
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>n. TOTALS (sum of l and m)</b>	\$12,343,984	\$3,180,600	\$9,163,384	\$12,605,894	\$3,442,510	\$9,163,384	\$12,605,894	\$3,442,510	\$9,163,384

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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