

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 NT10BIX5570122	3. DUNS Number 961960122
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4. Recipient Organization Florida Rural Broadband Alliance, LLC 4636 Hwy 90, Ste. K, Marianna, FL 32446-3508
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5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2013	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 Jim Brook	7c. Telephone (area code, number and extension) X
	7d. Email Address brook.jim@gmail.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-29-2013
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Project Indicators (This Quarter)

- 1. Please describe significant project accomplishments completed during this quarter (600 words or less).**
- a) **SITE CONSTRUCTION COMPLETE:** The South network moved from <10% to 62% Construction Complete status and the North network moved from <5% to 32% Construction Complete status in 1Q2013.
 - b) **COMMERCIAL TOWER CONSTRUCTION:** Construction was been materially completed at all commercial sites that did not require lease amendments in 1Q2013. Lease amendments were filed in 1Q2013 with executed agreements expected in May 2013, thus enabling construction to resume at these sites.
 - c) **DATA CENTER BUILDOUTS:** Construction at the Orlando data center is materially completed. Construction at the Tallahassee data center was on hold until late in 1Q2013 due to a legal matter that prevented IRU re-configuration negotiations to begin; the legal matter was resolved in March and negotiations to re-configure the IRU capacity were initiated.
 - d) **QUALITY ASSURANCE/SITE ACCEPTANCE:** Quality Assurance testing has been completed at 31% of sites in 1Q2013; the General Contractor is in process of correcting open punch-list items so sites can be formally accepted in 2Q2013.
 - e) **NETWORK OPERATOR:** An Invitation To Negotiate (ITN) was released for a Network Operator in 1Q2013, resulting in multiple respondents. Negotiations with respondents will continue in 2Q2013, with selection of a Network Operator projected in 3Q2013.
 - f) **CUSTOMER OUTREACH:** In discussions with 3 potential customers, which may initially start as "beta" customers.

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	70	Project is ahead of 4Q projection of 69%.
2b.	Environmental Assessment	0	N/A
2c.	Network Design	70	Project is behind 4Q projection of 85%. The variance is primarily attributed to delays in completing designs for sites without leases or lease amendments.
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	70	Project is ahead of 4Q projection of 69%.
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	60	Project is behind 4Q projection of 69%. The variance is primarily attributed to delays in purchasing: (1) site specific equipment for sites without leases/lease amendments, and (2) ancillary data center equipment pending resolution of a legal matter that prevented required negotiations.
2h.	Network Build (all components - owned, leased, IRU, etc)	48	Project is behind 4Q projection of 54%. The variance is primarily attributed to: (1) delays on water tower construction, and (2) resolution of punch-list items at sites where construction has been completed.
2i.	Equipment Deployment	60	Project is ahead of 4Q projection of 54%.
2j.	Network Testing	10	Project is behind 4Q projection of 54%. The variance is primarily attributed to delays in water tower construction, which has delayed Quality Assurance and Site Acceptance efforts.
2k.	Other (please specify): In-Kind Assets	90	Project is behind 4Q projection of 100%. The variance is attributed to not having leases for In-Kind sites.

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).

There were two core challenges that affected progress in 1Q2013:

- a) **OVERALL SITE CONSTRUCTION SCHEDULE:** The sub-contractor hired by the projects General Contractor to do construction on

sites in the North, left the project in 1Q2013. The General Contractor has brought in a new sub-contractor to do this work starting in April. Two risks exist with this transition: (1) new permits are required in the new sub-contractors name, and (2) a "cleanse" of sites partially completed by the first sub-contractor that now must be finished with the second sub-contractor is required. The General Contractor is also working to bring on a second sub-subcontractor to make-up time lost associated with this transition and accelerate the current project deployment schedule.

b) DATA CENTER BUILDOUTS: The build-outs of the Orlando and Tallahassee data centers can not be completed without negotiating the re-configuration of the IRU capacity. These negotiations were on-hold for most of 1Q2013 due to legal matters, but were resolved in March. The risk associated with negotiation of the re-configuration of the IRU capacity is that the IRU vendor will not entertain such negotiations, which would require FRBA to purchase incremental services from this vendor instead of re-configuring existing IRU capacity. Until this is resolved, FRBA is able to offer limited service to CAIs.

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	75	The following links are Construction Complete: FRH023-026, FRH014-015, FRL016-009, FRL014-015, FRL012-013, FRL012-054, FRL054-020, FRL017-018, FRL018-004.
New network miles leased	1,201	Level3 IRU miles
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	9	The following links are Construction Complete: FRH023-026, FRH014-015, FRL016-009, FRL014-015, FRL012-013, FRL012-054, FRL054-020, FRL017-018, FRL018-004.
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	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	1
Average term of signed agreements (in quarters)	8

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: FRBA has not signed any agreements with wholesale or last mile providers during this reporting period.

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:

The FRBA network provides transport, commodity Internet and co-location services to wholesale providers in the region. FRBA's services will allow wholesale providers (LEC's, CLEC's, Broadband Access and Wireless Access) to receive new type 2 middle-mile services across the service area with bandwidths between 5Mbps and 200Mbps. FRBA's wholesale will connect wholesale providers between multiple on-net points within the network or between points within the network and interconnecting data centers located in Orlando, FL and Tallahassee, FL. Data centers provide neutral access with interconnecting carriers utilizing Ethernet-based NNIs (network-to-network interconnections). FRBA also provides commodity Internet access at its data centers for wholesale providers who

require transport + IP connections. FRBA also provides dedicated colocation at the Orlando data center for wholesalers needing local presence in this facility. The wholesale pricing plan for dedicated services is attached to this PPR.

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).

FRBA has not yet designated a third party to operate its network. FRBA has released an Invitation to Negotiate ("ITN") that seeks to identify a investing partner that will manage all network and business operations. FRBA is currently in the process of evaluating two potential investing partners as part of this process. Procurement will be completed in advance of network commissioning and activation to ensure a smooth hand-over and transition phase. The investing partner will be tasked with the following primary responsibilities:

- business management
- sales and marketing
- funding, current and future
- legal and regulatory
- network management and monitoring
- field services
- provisioning and activations
- installations and terminations
- billing management
- customer service
- upgrades and expansions

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	FRBA is currently in discussions with several wholesalers for purchase of capacity on the FRBA network.
	Providers with signed agreements receiving improved access	0	FRBA is currently in discussions with several wholesalers for purchase of capacity on the FRBA network.
	Providers with signed agreements receiving access to dark fiber	0	FRBA does not provide dark fiber services.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Speed tiers will begin at 5Mbps and scale to 200Mbps and greater in special cases. FRBA will have the capability to provide gigabit speeds on an individual case basis.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Previous reports identified 34 CAIs served by the project. These 34 CAIs were served through the Hardee County network which is no longer considered part of the project. As a result of this change, we are reporting an adjustment from 34 CAIs to 0 CAIs. Additional CAIs have been identified to be served through FRBA, as reported in the 2012 APR Template, making up the loss of the 34 CAIs.
	Subscribers receiving new access	0	34 CAIs were served through the Hardee County network which is no longer considered part of the project. As a result of this change, we are reporting an adjustment from 34 CAIs to 0 CAIs. Additional CAIs have been identified to be served through FRBA, as reported in the 2012 APR Template, making up the loss of the 34 CAIs.
	Subscribers receiving improved access	0	34 CAIs were served through the Hardee County network which is no longer considered part of the project. As a result of this change, we are reporting an adjustment from 34 CAIs to 0 CAIs. Additional CAIs have been identified to be served through FRBA, as reported in the 2012 APR Template, making up the loss of the 34 CAIs.
	Please identify the speed tiers that are available and the number of subscribers for each	0	34 CAIs were served through the Hardee County network which is no longer considered part of the project. As a result of this change, we are reporting an adjustment from 34 CAIs to 0 CAIs. Additional CAIs have been identified to be served through FRBA, as reported in the 2012 APR Template, making up the loss of the 34 CAIs. Speed tiers will begin at 5Mbps and scale to 200Mbps and greater in special cases. FRBA will have the capability to provide gigabit speeds on an individual case basis.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Residential / Households	Entities passed	0	Not applicable. FRBA is a middle-mile network only. Last-mile providers will access last-mile service areas through FRBA's middle-mile network.
	Total subscribers served	0	Not applicable. FRBA is a middle-mile network only. Last-mile providers will access last-mile service areas through FRBA's middle-mile network.
	Subscribers receiving new access	0	Not applicable. FRBA is a middle-mile network only. Last-mile providers will access last-mile service areas through FRBA's middle-mile network.
	Subscribers receiving improved access	0	Not applicable. FRBA is a middle-mile network only. Last-mile providers will access last-mile service areas through FRBA's middle-mile network.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Not applicable. FRBA is a middle-mile network only. Last-mile providers will access last-mile service areas through FRBA's middle-mile network.
Businesses	Entities passed	0	Not applicable. FRBA is a middle-mile network only. Last-mile providers will access last-mile service areas through FRBA's middle-mile network.
	Total subscribers served	0	Not applicable. FRBA is a middle-mile network only. Last-mile providers will access last-mile service areas through FRBA's middle-mile network.
	Subscribers receiving new access	0	Not applicable. FRBA is a middle-mile network only. Last-mile providers will access last-mile service areas through FRBA's middle-mile network.
	Subscribers receiving improved access	0	Not applicable. FRBA is a middle-mile network only. Last-mile providers will access last-mile service areas through FRBA's middle-mile network.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Not applicable. FRBA is a middle-mile network only. Last-mile providers will access last-mile service areas through FRBA's middle-mile network.

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

FRBA will have built-in capabilities to provide on-net services between community anchors throughout the region. This will allow for collaboration and interconnection between separate CAI organizations that need to share data between one another. FRBA will also have the capabilities to offer colocation and data center space to CAIs requiring secure data backup facilities. CAIs will have layer 2 access to such facilities across the FRBA network, enabling them to maintain direct on-net connectivity to their data, rather than having to provision separate physical circuits or Internet-based VPNs ("virtual private networks") for access to their data.

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
N/A	N/A	N/A	N/A	The FRBA network is currently under construction.

Project Indicators (Next Quarter)

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

a) SITE CONSTRUCTION COMPLETE: The South network should move from 62% to ~90% Construction Complete status and the North network should move from 32% to ~80% Construction Complete status in 2Q2013.

b) COMMERCIAL TOWER CONSTRUCTION: Lease amendments at commercial sites are expected to be received no later than May

31, 2013 and new/revised permits secured by the end of 2Q2013, thus enabling construction to resume in 3Q2013.

c) DATA CENTER BUILDOUTS: In 2Q2013 FRBA will: (1) secure agreement to re-configure IRU capacity, OR (2) purchase incremental services from IRU vendor to enable construction of data centers to be completed in 3Q2013.

d) QUALITY ASSURANCE/SITE ACCEPTANCE: Quality Assurance testing is projected to be completed at 57% of sites in 2Q2013 (this is aligned to planned project schedule). FRBA and General Contractor have agreed that there are aligned interests in punch-list items being corrected in a more timely manner moving forward.

e) NETWORK OPERATOR: Negotiations and due diligence efforts with respondents will continue throughout 2Q2013 per the schedule published in the Intent to Negotiate, with an awarded contract for a Network Operator projected in 3Q2013.

f) CUSTOMER OUTREACH: Establish direct service to at least 2 beta customers. Outreach to required and non-required CAI's will begin. Limited campaigns will occur with the intent to secure required CAI's as presented in the grant. Possible outreach activities could begin with influence from the selected Network Operator as part of the solicited role from the Network Operator encompasses Marketing and Outreach. Continue to work with last-mile providers, primarily wireless INTERNET providers, in the region to establish service needs and timing coinciding with construction completion.

g) NUMBER OF MILES DEPLOYED: By the end of 2Q2013 there will be approximately 170 network miles deployed. There are sites completed that are not attributing to these miles (deployed) because the upstream/downstream site has not yet been completed; Completion of those sites will exponentially increase the realized deployed miles in 3Q2013.

h) NUMBER OF CIA'S CONNECTED: By the end of 2Q2013, there should be one CAI connected, pending the customer's tower passes a required structural analysis.

i) NUMBER OF BROADBAND WHOLESAL/LAST MILE PROVIDER AGREEMENTS SIGNED: One broadband wholesale/last mile provider agreement is under negotiation now, but the execution of this agreement may not occur until July.

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	80	Overall incremental progress in 2Q2013 will not be significant due to: (1) transition of work between sub-contractors for North sites, and (2) execution of lease amendments at commercial sites which are expected to be completed in mid-2Q2013.
2b.	Environmental Assessment	0	N/A
2c.	Network Design	75	Incremental progress in 2Q2013 for Network Design will be limited to sites where lease amendments are executed in early May. Design work for sites where lease amendments are executed in later May will be pushed into 3Q2013 pending completion of dependencies listed above.
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	75	Incremental progress in 2Q2013 for Permits will be limited to sites where lease amendments are executed in early May. Permits for sites where lease amendments are executed in later May will be pushed into 3Q2013 pending completion of dependencies listed above.
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	62	Minimal incremental Equipment Purchases will be made in 2Q2013 pending executed lease amendments, Design Work, Permits and finalization of IRU re-configuration negotiations, as described in 2c-f. Purchase of additional equipment will be pushed into 3Q2013 pending completion of dependencies listed above.
2h.	Network Build (all components - owned, leased, IRU, etc.)	57	Incremental progress in 2Q2013 for Network Build will be limited to sites where lease amendments were executed in early May and Permits were secured by the new sub-contractor for North sites. Construction will begin on a broader scale in 3Q2013 pending the completion of the dependencies listed above.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2i.	Equipment Deployment	62	Minimal incremental Equipment Purchases will be made in 2Q2013 pending executed lease amendments, Design Work, Permits and finalization of IRU re-configuration negotiations, as described in 2c-f. Purchase of additional equipment will be pushed into 3Q2013 pending completion of dependencies listed above.
2j.	Network Testing	10	Minimal incremental Network Testing will be completed in 2Q2013 and will be pushed to 3Q2013 pending the completion of dependent construction activities listed in 2h) above.
2k.	Other (please specify): In-Kind Assets	90	In-kind capital leases

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).

a) OVERALL SITE CONSTRUCTION SCHEDULE: The ability to meet the projected deployment schedule in 2Q2013 is dependent on: (1) the successful transition of sub-contractor work in the North, and (2) lease amendments being executed in May. As of this date, we see risk in the General Contractor managing the transition of work to the new sub-contractor, which could jeopardize the 2Q13 deployment schedule. FRBA will continue to work with the General Contractor to mitigate these risks on the project.

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	\$1,750,000	\$0	\$1,750,000	\$1,726,371	\$0	\$1,726,371	\$2,221,949	\$0	\$2,221,948
b. Land, structures, right-of-ways, appraisals, etc.	\$816,370	\$456,000	\$360,370	\$3,586,800	\$3,586,800	\$0	\$3,586,800	\$3,586,800	\$0
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$4,091,000	\$0	\$4,091,000	\$2,883,374	\$0	\$2,883,374	\$3,068,074	\$0	\$3,068,074
e. Other architectural and engineering fees	\$1,539,000	\$0	\$1,539,000	\$1,726,546	\$0	\$1,726,546	\$2,550,000	\$0	\$2,550,000
f. Project inspection fees	\$450,000	\$0	\$450,000	\$0	\$0	\$0	\$83,997	\$0	\$83,997
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	\$4,375,952	\$1,842,952	\$2,533,000	\$0	\$0	\$0	\$1,622,639	\$0	\$1,622,639
j. Equipment	\$17,127,343	\$4,157,048	\$12,970,295	\$10,275,510	\$0	\$10,275,510	\$10,693,063	\$0	\$10,693,063
k. Miscellaneous	\$4,000,000	\$4,000,000	\$0	\$3,588,808	\$3,588,808	\$0	\$3,791,036	\$3,588,808	\$202,228
l. SUBTOTAL (add a through k)	\$34,149,665	\$10,456,000	\$23,693,665	\$23,787,409	\$7,175,608	\$16,611,801	\$27,617,558	\$7,175,608	\$20,441,949
m. Contingencies									
n. TOTALS (sum of l and m)	\$34,149,665	\$10,456,000	\$23,693,665	\$23,787,409	\$7,175,608	\$16,611,801	\$27,617,558	\$7,175,608	\$20,441,949

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: \$9,998
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