

**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>  NT10BIX5570122	<b>3. DUNS Number</b>  961960122
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<b>4. Recipient Organization</b>  Florida Rural Broadband Alliance, LLC 4636 Hwy 90, Ste. K, Marianna, FL 32446-3508
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<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  12-31-2011	<b>6. Is this the last Report of the Award Period?</b>  <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.

<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Johnene Marcum  CFO	<b>7c. Telephone (area code, number and extension)</b>  8507853254
	<b>7d. Email Address</b>  johnene@johnenemarcumcpa.com

<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  02-28-2012
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**Project Indicators (This Quarter)****1. Please describe significant project accomplishments completed during this quarter (600 words or less).**

The Florida Rural Broadband Alliance (FRBA) has made great progress during the 4th quarter of 2012. The completion of the Request for bids and selection of equipment vendors has resulted in orders being placed and equipment being received preparing FRBA to begin construction/installation of the radios during the 1st quarter of 2012. In addition a Request for proposals was released for construction and deployment related services and 10 proposals have been received and are under evaluation. Operational Support/ Back Office Systems are being deployed gearing up for operations and new operational processes are being developed and put into place getting ready to go fully operational by the end of the 1st quarter of 2012..

Outreach efforts are being accelerated to make wholesale providers and anchor tenants aware of the network. Over 70 anchors are either active or pending connections. FRBA also has 4 active wholesale partners and 8 pending wholesale partners are in further discussions on network deployment in their service areas.

**Programmatic Adjustments and Revisions**

- Completed Organizational changes
- Resolved Overlap Issues
- Submitted Award Action Request for revised budget, system design and match

**Business Services, Outreach and Marketing**

- Attended Broadband Technology Opportunities Program (BTOP) Recipient Conference in October
- Conducted Site Visit with BTOP Program Office
- Completed initial business plan and design review
- Completed initial pricing model review
- Completed project deployment plan, tracker and site management maps
- FRBA has finalized locations for the North and South warehouses and is in the final stages of preparing the warehouses to be ready for the equipment.
- Finalizing subrecipient agreement
- Continued meetings with county commissioners, anchors and started development of carrier relations.
- FRBA started Facebook project daily and real-time status update functionality, as well as community team building
- Updated purchasing policies and redrafted fraud prevention/detection policy
- Updated FRBA Website
- Saltmarsh completed the annual financial audit

**Network Engineering**

- Completed site development walk-outs
- Completed design re-evaluation
- Completed project deployment plan, tracker and site management maps
- Started FRBA North and South utility application investigation
- Completed North and South Path Calculations
- Completed Internet address schemas and tracking system
- Completed standardization and process documentation for radios
- The entire Level 3 upstream network has been deployed and activated.
- Completed The City of ONA Point of Presence Connectivity to FRBA
- 1st design of cabinet architecture and drawings were produced and approved. 1st sample will arrive 2nd week of January to the project office for approval so the production run can begin.

**Network Procurement**

- Developed and released equipment requests for bids.
- Conducted evaluations and awarded contracts to:
  - o Calix, Ceragon, KPG Logistics, ProSys, Power & Telephone Supply, Eupen and ConnectIt
  - o Procured Back Office software including Symantec, Solarwinds, and SugarCRM
  - o Procured Asset Tags from Metal Craft
- FRBA placed initial orders for Microwave Radios, cabinets, switching, datacenter gear and software applications/ operating systems.
- Test equipment has been ordered and should be arriving last week of January.
- Developed Request for Proposals (RFP) for construction and deployment services and received 10 proposals that are under review.

**Site Permits & Tower Readiness**

- Finalized tower locations and updated deployment tracker location addresses.
- Developed in-kind agreements for north and south counties
- Executing Master Agreements with Crown Castle and American Tower.
  - o All engineering, cut sheets, azimuths, dish sizes defined as part of the design and documented for tower owners.
  - o Finalizing individual tower contracts and first 17 sites with Crown Castle.
- Met with in-kind asset owners and developing in-kind agreements for towers that will be approved by municipal and county officials.
- Started FCC Private Coordination Notification (PCN) process

**Network Deployment Test and Turn-Up**

- Completed testing of Pilot Operating Support Systems (OSS)/Business Support Systems (BSS) and started FRBA's implementation of the OSS/BSS. Testing virtual servers and began implementation of Sugar CRM, Solarwinds and integration of Fishbowl and Quickbooks software.
- FRBA's First customer orders have been received and looking for test and turn up in early February.
- Initiated Sebring's Airport initiative for broadband expansion

**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	49	The new plan provides for parallel activities and creates a forward looking approach to managing resources and tasking. Though the overall project is behind its spending baseline, FRBA has made great progress at accelerating the procurement and initiating its construction efforts that will be kicked-off during the first quarter of 2012. FRBA anticipates significant acceleration through the 1st quarter of 2012.
2b.	Environmental Assessment	0	N/A
2c.	Network Design	43	The major effort of completing the overall design and establishing the equipment specifications for the FRBA network has been completed. Even though the expenditures are behind baseline projections the work effort completed will allow FRBA to accelerate the site engineering as site lease agreements and civil site work begin during the first quarter of 2012.
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	43	Even though this task is behind the baseline for spending it is in alignment with the work effort needed. FRBA expects to run parallel activities which will accelerate the site and tower work that needs to be completed prior to equipment installation. This work is expected to significantly increase during the 1st quarter of 2012. This should bring the construction expenditures back within baseline by the 2nd quarter of 2012.
2f.	Site Preparation	18	Upon the completion of tower lease agreements and issuance of site permits, FRBA expects to start significant efforts towards the site preparation. FRBA expects civil engineering and site work to remain ahead of the construction/equipment implementation schedule. FRBA expects to be substantially complete with all site prep by the end of the 2nd quarter of 2012.
2g.	Equipment Procurement	56	Procurement began during the 4th quarter of 2011 and equipment is now being received by FRBA. Additional equipment and materials for installation will be received during the 1st quarter of 2012 and bring the equipment procurement back in line with original milestone objectives.
2h.	Network Build (all components - owned, leased, IRU, etc)	19	The network build out has resulted in the completion of the Hardee County network and the deployment of the Level 3 fiber. The first of four Points of Presence for the Project has been activated and connected to the FRBA network. Additional network build out will begin once the initial permits and tower lease agreements are completed. It is anticipated that

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			significant progress will be made between the 1st quarter of 2012 and the 2nd quarter of 2012. This should bring the project back within expenditure baseline by the second quarter of 2012.
2i.	Equipment Deployment	56	The equipment is expected to be substantially available for staging and shipment to the sites by the end of the 1st quarter of 2012. Site preparation and tower readiness will be started during the 1st quarter. Substantial completion of this effort is not expected until later in the 2nd quarter of 2012.
2j.	Network Testing	0	Hardee County Network Testing was completed at the end of 2010. It is anticipated that the significant testing will not begin until early 2012 and be substantially complete by the end of the second quarter of 2012.
2k.	Other (please specify):	73	On target for this reporting period.

**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).**

FRBA has been making great strides and in fact actually accelerated a number of activities by creating a parallel process and more transparency within the project. As a result the team has completed the restructuring of the organizational administration, project budget, schedule and aligned the projects and resources. Request for Bids on equipment have been received, contracted and equipment has been ordered. A Request for Proposals for Construction and deployment services was issued and proposals have been received and are under evaluation. Construction is expected to begin in February 2012.

The subrecipient agreement with Rapid Systems is still underway and continues to make progress. However, this process has taken longer than anticipated and now overlaps with the need to initiate the development an operating agreement. These efforts are being accelerated and will not have any impact on current construction efforts. It is anticipated that these agreements will be completed by the middle of the first quarter of 2012.

FRBA is currently finalizing the contracts for the in-kind tower assets and contracting with the tower companies for leases on existing towers that will be used in the design. This process has taken longer than originally anticipated because of the number of independent tower owners that contributed their assets for use and the need to follow their legal process for executing the contract agreements. However, FRBA has been making great progress and is on track to complete enough tower agreements in key areas so construction will not be impacted by the delays. FRBA will start construction in February and is anticipating that the project deployment will progress as proposed in the project plan.

From a quarterly and cumulative spend standpoint; the project will be back on track and on schedule at the end of first quarter of 2012. Equipment procurement will be completed and construction/installation will begin during the first quarter. FRBA received partial equipment delivery at the end of the 4th quarter of 2012. At the same time, we are negotiating tower leases, and our site acquisition activities are well underway. FRBA is also continuing its outreach activities and making our potential wholesale partners and anchor tenants aware of FRBA's network capabilities.

Several new opportunities have arisen that require some accelerated deployment along FRBA's secondary routes, which required some schedule refinement and negotiation of early stage construction to meet the February 6, 2012 delivery date. It is anticipated that FRBA may accelerate the installation of equipment along this route to meet the clients' early needs.

FRBA is taking a forward looking program management approach which helps assign tasking in parallel where we see potential timing challenges in the future. Much of the work is just in time, but there are lead times for agreements, licensing and legal issues that need resolution earlier in order not to affect workflow. The FRBA project teams have created a great deal of flexibility and can now be assigned to different regions based on available permits/licenses. This forward looking approach reduces potential slack periods and increases team efficiency. The construction RFP included a request for additional project, construction and site management. FRBA intends to add additional resources in the North and south to maintain schedule commitments.

The primary challenge for this project is simply to accelerate the construction activities to meet the milestones and key indicators of the Baseline Plan. We have the right team in place to meet these milestones. FRBA has completed a series of Award Action Requests that will support the acceleration efforts. FRBA will work closely with NTIA Project Office to manage these efforts.

**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	278	The completion of Hardee County and extension of services into adjacent communities and wireless backhaul to Level 3 and Cogent has resulted in deployment of 278 miles of wireless backbone network.
New network miles leased	1,201	The Level 3 fiber infrastructure connecting FRBA North and South to the Level 3 upstream network has been deployed and activated.
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	0	No new wireless links have been added this quarter.
Number of new towers	0	Hardee County is complete and operation and services have been extended into Desoto and adjacent Counties.
Number of new and/or upgraded interconnection points	26	The completion of Hardee County network provides 22 tower interconnection points. One of four Level 3 Points-of-Presence were activated that connects the FRBA/Hardee County to the Level 3 backbone. This is the first of four major nodal connections that will bring much needed upstream access to the rural communities of Florida.

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	4
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	8
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:

- Rapid Systems has agreement with the Hardee County Broadband Project.
- Rapid Systems has a wholesale agreement with Daystar for Last Mile Services within the FRBA project
- Rapid Systems has a wholesale / Last Mile agreement with Knology for Voice over Internet Protocol services within the FRBA project and is currently deploying Hosted and Residential Voice over Internet Protocol
- Rapid Systems has a wholesale/Last Mile agreements with TampaBayDSL

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:

FRBA will provide Ethernet Wireless Transport and internet wholesale services as the Middle Mile Network. Additionally, FRBA will provide services to Community Anchor Institutions.

Rapid Systems is providing Broadband Service to anchor facilities using WiMAX and other Licensed and unlicensed products.

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 consolidated its efforts for an integrated operation management strategy that will support both the FRBA North and South Central networks. FRBA has designated a single subrecipient to engineer, test and turn-up the network. The subrecipient, Rapid Systems, has also been designated as the middle mile operator.

1) Rapid Systems will operate the FRBA Networks as a subrecipient. www.rapidsys.com

a. 1211 N Westshore Blvd  
Tampa, FL 33607  
813-232-4887

b. Area Served – Florida’s Heartland

Counties Served – Hardee, Desoto, Highlands, Okeechobee, Glades, and Hendry. Also, the community of Immokalee

c. Area Served – Opportunity Florida

Counties Served – Holmes, Washington, Jackson, Gadsden, Calhoun, Liberty, Gulf, Franklin

**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)
<b>Broadband Wholesalers or Last Mile Providers</b>	Providers with signed agreements receiving new access	0	Unless it is a new provider, or just entering the market, we will assume that all providers are receiving improved access.
	Providers with signed agreements receiving improved access	4	We are in discussion with several providers. Agreements are pending finalization of product and service plans.
	Providers with signed agreements receiving access to dark fiber	0	We will not be providing access to dark fiber, as we do not have that access.
	Please identify the speed tiers that are available and the number of subscribers for each	1	Bandwidth is described as upstream/downstream for individual speed tiers. Available speed tiers will begin at 5/5 Mbps, in increments of 5 Mbps to 100 Mbps. Service to 1 Gbps will be available, but we have conservatively estimated that we will only add customers at that level of service beyond year 3.
<b>Community Anchor Institutions (including Government institutions)</b>	Total subscribers served	35	Our plan outlines service to 196 anchor institutions by project closeout.
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	35	The majority of the anchor tenants at a minimum had dial-up services, DSL or T1s. As a result they upgrade their services by connecting to the FRBA network.
	Please identify the speed tiers that are available and the number or subscribers for each	35	Bandwidth is described as upstream/downstream for individual speed tiers. (Download/Upload) 1) 3/512 Mbps- 5 Anchor Tenants 2) 5/5 Mbps- 1 Anchor Tenant 3) 10/2 Mbps- 22 Anchor Tenants 4) 10/5 Mbps- 2 Anchor Tenant 5) 20/5 Mbps- 5 Anchor Tenants
<b>Residential / Households</b>	Entities passed	0	When completed, the FRBA network will allow last mile providers the ability to cover the entire geography of the service area.
	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
<b>Businesses</b>	Entities passed	0	When completed, the FRBA network will allow last mile providers the ability to cover the entire geography of the service area.
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	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).**

Rapid Systems agreement is to provide a discount on services into Hardee County for three years. We are also in the process of securing very substantial capacity to allow third party providers to provide a wide array of services across our network. The full range of offerings will be determined by the marketplace, but the network has been designed to efficiently accommodate all types of traffic.

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

**8b. If so, please describe the changes (300 words or less).**

FRBA management policies will be made publicly available through the <http://www.weconnectflorida.com> website in 2012.

**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
Hardee County Building Department	Wauchula	Government	Yes	Converted from DSL to 10 Mbps service to improve permitting process and internal communications. Shared connection with Hardee County Code Enforcement Department.
Hardee County Animal Control	Wauchula	Government	Yes	Converted from DSL to 10 Mbps service to improve internal communications. Shared connection with the Hardee County Landfill Department.
Hardee County Office of Community Development	Wauchula	Government	Yes	Converted from T1s to 10 Mbps service to improve internal communications. Shared connection with Office of County Manager and Management & Budget Departments.
Hardee County Probation Office	Wauchula	Government	Yes	Converted from DSL to 10 Mbps service to improve internal communications. Shared connection with Hardee County Courthouse.
Hardee County E911/ Addressing	Wauchula	Government	Yes	Converted from DSL to 10 Mbps service to improve internal communications. Shared connection with Emergency Management.
Hardee County Human Resources Department	Wachula	Government	Yes	Converted from T1s to 10 Mbps service to improve internal communications. Shared connection with Utilities, Maintenance, Purchasing and Road and Bridges Department
Hardee County Library	Wauchula	Library	Yes	Converted from DSL to 10 Mbps service to improve internal communications and access to the Internet.
Edmund Rice School	Arcadia	Education	Yes	Converted from DSL to 10 Mbps service to improve internal communications and access to the Internet.
Heartland Workforce	Sebring	Community Support	Yes	Converted from DSL to 20 Mbps service to improve internal communications and access to the Internet.

**Project Indicators (Next Quarter)**

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

The project team continues to evaluate conditions that have the potential of impacting the network schedule. At this time the team does not foresee any significant roadblocks that would greatly impact the schedule. The project team has built enough slack into the project so that slight slippages will not impact the substantial completion of the FRBA network.

Once the tower agreements/licenses are finalized, the work can be staged and adjusted to different locations where work is ready to

begin. Rapid Systems has developed a flexible "forward looking" project approach that scales and assigns resources based on available tasking. The work teams are managed on a weekly and daily basis so that work can be planned out to maximize work streams as well as resource utilization. This approach will enable FRBA to continue to manage contingencies that arise from time to time while focusing on making continuous progress.

FRBA implemented its operational support systems and back office systems during the 4th quarter of 2011 and will be testing and certifying these systems during the 1st quarter of 2012. These systems include the customer care, work order management, network asset management, and network monitoring and support services necessary to run the FRBA network operations. During this period FRBA will also be implementing its customer service support and billing systems.

Planned execution for the 1st Quarter of 2012 includes:

**Business Services and Partner Agreements**

- Complete FRBA Sub-recipient agreement
- Complete FRBA Operating Agreement
- Award Construction Contract Services
- Initiate asset management systems and asset tagging

**Complete Site Engineering Documents (including any civil engineering required)**

- Begin and complete site preparation and civil work on first 27 towers
- Begin installation, test and turn up of first 18 towers

**FRBA North and South Tower Agreements & Site Permitting**

- Complete FRBA commercial tower leases
- Complete In-Kind tower agreements
- Finalize FRBA North and South utility applications
- Finalize FRBA North and South FCC filings

**Initiate and begin Construction of Network Roll-out Plan**

- Stage and kit equipment for deployment
- Pick-up and move equipment to installation sites
- Receive internal FRBA and network build partner approvals for roll-out plan
- Assign third party project and construction management responsibilities for oversight, quality assurance, compliance and reporting
- Provide authorization for network build partners to proceed with construction
- Begin and complete site preparation and civil work on first 27 towers
- Begin installation, test and turn up of first 18 towers
- Physical cabinet and suite build-out for Tampa/Orlando Data Centers
- Install data center equipment, test and turn up level 3 network services
- Install and provision anchor tenant connections as network services become available.

**Network Deployment Updates:**

- New network miles deployed, approximately 270 new wireless miles will be deployed over the 1st quarter of 2012.
- New network miles leased, No new miles this quarter.
- New towers: approximately 18 new towers will be placed in service.
- Total CAI subscribers served (CAIs connected) 38, 32 pending connections, with 10-15 complete by the end of the 1st quarter 2012.
- Number of signed agreements with broadband wholesalers or last mile providers", Several county, utility partner wholesale agreements are in the developmental stages with the possibility of 1 or 2 additional agreements that could be executed during the 1st quarter of 2012.

**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	74	This milestone is expected to approach FRBAs original objectives by the end of the 1st Quarter of 2012 as construction kicks off.
2b.	Environmental Assessment	0	N/A



	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2c.	Network Design	69	The network design has been finalized and site/service engineering will bring the estimated percentage of completion back in line with original estimates by the end of the 1st quarter of 2012.
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	69	Construction permits and approvals will slightly lag the original projections but will not have an effect on the actual deployment schedule. Instead of batching the permitting process, the permits are being requested as site engineering is completed. This follows standard practices for wireless tower deployments.
2f.	Site Preparation	58	Site preparation will lag the original projections since the new work teams are aligned with tower/link deployment which aligns with wireless deployment best practices and provides FRBA with live services as towers and links are installed. This work is done within 7 to 10 days of the actual tower work.
2g.	Equipment Procurement	73	Equipment procurement is well underway. The percentage of completion will lag the original estimated milestone since FRBA elected to purchase and receive equipment closer to the projected install dates.
2h.	Network Build (all components - owned, leased, IRU, etc.)	66	The network build begins in earnest during the first quarter of 2012. Although the project has been accelerated it will lag the original milestone until the end of the second quarter of 2012.
2i.	Equipment Deployment	73	FRBA has accelerated the equipment deployment and will complete the data center build-out and have substantially completed a large number of towers during the first quarter, bring the equipment installation back in line with the original projections. Much of this equipment will be activated and go live during the second quarter of 2012.
2j.	Network Testing	10	Testing will begin during the 1st quarter of 2012 as approximate 18 new towers/links will go live. Much of the testing and link certification work will begin in earnest during the second quarter of 2012.
2k.	Other (please specify):	100	This milestone category is expected to remain on schedule.

**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).**

FRBA does not anticipate any major challenges that will hold up progress the next quarter. The in-kind agreement process is under way and appears to be on track. FRBA has all the key agreements it needs for this quarter to continue construction according to schedule. The RFPs for construction are under final evaluation for selection and should be complete in January. Construction should begin in earnest February 2012. Equipment and materials have been ordered and are arriving as anticipated and FRBA is not aware of any potential delays at this time. The warehouses have been leased and equipment is being received and asset tagged.

FRBA continues to work towards the completion of the subrecipient and operating agreements. These efforts will not delay construction but need to be finalized before additional towers are brought into operation. This would effect operations activities during the second quarter of 2012 if not completed.

