

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 NT10BIX5570146	3. DUNS Number 142605331
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4. Recipient Organization SHO-ME Technologies, L.L.C. 301 W Jackson St., Marshfield, MO 65706-2128
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5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2013	6. Is this the last Report of the Award Period? <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.

7a. Typed or Printed Name and Title of Certifying Official Miles Brusherd	7c. Telephone (area code, number and extension) X
	7d. Email Address Mbrusherd@shometech.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 01-17-2014
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Project Indicators (This Quarter)

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

a) Special Award Condition (SAC) accomplishments and reporting through end of Award period August 31, 2013:

[i] Issuance, submittal and approval of Section 1512 American Recovery and Reinvestment Act (ARRA) Prime Recipient Report and Sub-Recipient Report for 2nd Quarter 2013.

[ii] Issuance, submittal and approval of Federal Financial Report (FFR) Standard Form 425 (SF-425) for 2nd Quarter 2013.

[iii] Issuance, submittal and approval of Performance Progress Report (PPR) for 2nd Quarter 2013.

[iv] Processing of Department of Commerce (DoC) Award Closeout Notification Packet and SAC checklist. Continuous engagement in update discussions with FPO and BTOP Team regarding administrative procedures and legal requirements of Closeout.

[v] BTOP Project Closeout Processes and Federal Security Interest obligations and documentation requirements started, including Asset Tracking and Tagging processes, preparation of Property Status Reports (SF-428 and SF-429), Covenants of Purpose, Use and Ownership, and UCC-1 Statement filings. Continuous participation with DoC, NTIA, and NOAA Grant Office in Closeout Process update conferences.

[vi] Participation in the data collection efforts of the "MoBroadbandNow" State Broadband Data Mapping Program in accordance with the NOFA.

[vii] Submittal of 2nd Quarter 2013 project tracking report as requested by the State of Missouri "MoBroadbandNow" Project in accordance with NTIA's State Broadband Initiative (SBI).

[viii] Ongoing Principal Investigator (PI/PD) oversight activities, including compliance oversight, performing field inspections of construction throughout the project, hosting monthly team update meetings, ongoing Davis-Bacon Act SF-1445 labor standards interviews of construction crews by Sho-Me personnel, and conference calls with FPO and BTOP Team. PI/PDs participated in the BTOP conferences and webinars regarding Award Closeout Processes.

b) Overall Project Accomplishments through end of Award period August 31, 2013:

[i] Fiber construction continued resulting in an additional 25 miles of fiber during the quarter bringing the "Sho-Me MO" BTOP Project's new fiber construction total to 540 miles. Continued procedures for Indefeasible Rights of Use (IRU) on several fiber route segments. An additional 84 miles of in-kind fiber was contributed to the Project, bringing total in-kind miles to 954. Sho-Me exceeded its original target reaching overall Project total of underground and aerial fiber to 1,494 miles.

[ii] Completed installation and commissioning of DWDM equipment on remaining routes between Points of Presence (PoP) locations: Reeds Spring, Branson GFRC, Branson UG, Cuba, Washington, Nixa and Mansfield.

[iii] Completed construction of Request for Bid (RFB) #SMM025 for installation of fiber laterals into 15 Community Anchor Institutions (CAIs) along several middle mile fiber routes.

[iv] Installation of security equipment for telecom shelters continued at new PoP locations.

[v] Performed physical asset tracking, tagging and recording of BTOP inventory into Sho-Me's property management system.

[vi] Secured all known and necessary permits for fiber construction routes within rights of way from federal, state and local agencies.

[vii] Successful Community Outreach is continuing with participation in live interviews on local radio stations. Weekly newsletter updates are posted to the "Sho-Me MO" BTOP Project website <http://www.shometech.com> and are distributed via e-mails.

2. Please provide the percent complete for the following key milestones in your project. Write "0" in the Percent Complete column and "N/A" in the Narrative column if your project does not include this activity. If you provided additional milestones in your baseline plan, please insert them at the bottom of the table. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the percent complete is different from the target provided in your baseline plan (300 words or less).

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2a.	Overall Project	100	No Variance.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2b.	Environmental Assessment	100	Actual spend was 97% and below Baseline by 3% due to costs being lower than anticipated.
2c.	Network Design	100	Actual spend was 95% and below baseline by 5% due to less engineering hours being needed than expected.
2d.	Rights of Way	100	Actual spend was 38% and below baseline by 62% due to lower than anticipated rights of way costs. Sho-Me anticipates this category will remain under budget for the remainder of the project as rights of way costs came in under budget.
2e.	Construction Permits and Other Approvals	100	Actual spend was 80% and below Baseline by 20% due to costs being lower than anticipated. Sho-Me anticipates this category will remain under budget for the remainder of the project as permitting costs came in under budget.
2f.	Site Preparation	100	No variance.
2g.	Equipment Procurement	100	Actual spend was 87% and below Baseline by 13% due to lower than anticipated costs relating to DWDM equipment.
2h.	Network Build (all components - owned, leased, IRU, etc)	100	No variance.
2i.	Equipment Deployment	100	No variance.
2j.	Network Testing	100	Actual spend was 0% and below Baseline by 100% because these expenses were moved to another category in Sho-Me's approved 2010 budget revision. Sho-Me does not use this baseline category for the remainder of the project.
2k.	Legal, Administrative, Pre-Award Expenses	100	Actual spend was 94% and below Baseline by 6% due to legal and administrative costs being lower than anticipated.

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).

In early 2011, the Missouri Department of Transportation (MoDOT) announced closing 135 facilities and downsizing its staff size by 1,200 employees which may become a potential constraint on securing timely rights of way and permitting required for fiber route construction.

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	540	Above baseline of 500 route miles due to previously approved route modifications.
New network miles leased	0	N/A
Existing network miles upgraded	954	Above baseline of 880 route miles.
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	540	Above baseline of 500 route miles due to previously approved route modifications.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	34	Above baseline of 33. Sho-Me contributed an additional PoP location existing along a previously approved route modification.

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	13
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	45
Average term of signed agreements (in quarters)	12

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: Missouri State Office of Administration, Missouri Research and Education Network, Missouri Office of State Courts Administrator, Jefferson City Medical Group, Missouri Wi-Fi, Mid-Missouri Broadband, Central Missouri Computer Services, Integrated Solutions Group, Socket Telecom, Total Highspeed, Simpson Technology, Laclede County R-I School District and Your Hometown Internet. Sho-Me has multiple agreements with many of the aforementioned providers. Negotiations continue with additional providers.

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:

Sho-Me MO project offers Dedicated Internet Access, Time Division Multiplexing (TDM) circuits available at line rates from T-1 to OC-48, native Ethernet products from 5 Mb/s to GigE, Optical Wave Services available in 2.5 Gb/s and 10 Gb/s line rates for express routes between Points of Presence (PoPs).

5d. If you have designated a third party to operate all or a portion of your network, please provide the name and contact information for this third party, indicate if this entity is a sub recipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this third party operates (600 words or less).

N/A

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	11	Above plan due to more providers receiving new access than anticipated. Negotiations with other additional providers are in process with no final determination at this time, however, commitments are expected after the project completion date.
	Providers with signed agreements receiving improved access	2	Below plan due to more providers receiving new access than anticipated. Negotiations with other additional providers are in process with no final determination at this time, however, commitments are expected after the project completion date.
	Providers with signed agreements receiving access to dark fiber	0	No variance.
	Please identify the speed tiers that are available and the number of subscribers for each	14	5 Mbps (1); 10 Mbps (4); 20 Mbps (2); 40Mbps (1); 45Mbps (1); 50 Mbps (1); 100 Mbps (4); 200 Mbps (0); 500 Mbps (0); GigE (0); DS1 (0); DS3 (0); OC-3 (0); OC-12 (0); OC-48 (0); 2.5 Gbps (0); 10 Gbps (0)
Community Anchor Institutions (including Government institutions)	Total subscribers served	101	Above baseline by 1 per approved Award Action Request (AAR). CAI installations meet baseline by end of Award Period in the 3rd Quarter 2013.
	Subscribers receiving new access	70	Above plan as more CAIs will actually be in the new vs. improved category and due to delay in fiber, however, Sho-Me has received all fiber ordered for the project. CAI installations meet baseline by end of Award Period August 31, 2013 in 3rd Quarter 2013.
	Subscribers receiving improved access	31	Below plan as more CAIs will actually be in the new vs. improved category and due to delay in fiber, however, Sho-Me has received all fiber ordered for the project. CAI installations meet baseline by end of Award Period August 31, 2013 in 3rd Quarter 2013.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Please identify the speed tiers that are available and the number or subscribers for each	74	5 Mbps (6); 10 Mbps (39); 20 Mbps (11); 50 Mbps (5); 100 Mbps (12); 200 Mbps (0); 500 Mbps (0); GigE (1); DS1 (0); DS3 (0); OC-3 (0); OC-12 (0); OC-48 (0); 2.5 Gbps (0); 10 Gbps (0)
Residential / Households	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Businesses	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A

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

None 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

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
Texas County Library	Summersville	Library	Yes	This institution is connected to BTOP funded infrastructure for improved broadband service.
Bakersfield R-IV School District	Bakersfield	School (K-12)	Yes	This institution is connected to BTOP funded infrastructure for improved broadband service.

Project Indicators (Next Quarter)

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

a) Special Award Condition (SAC) accomplishments, reporting and Closeout activities:

[i] Issuance, submittal and approval of Final Section 1512 American Recovery and Reinvestment Act (ARRA) Prime Recipient Report and Sub-Recipient Report, Final Federal Financial Report (FFR) Standard Form 425 (SF-425), Final Performance Progress Report

(PPR) and Annual PPR (APR) for 2013.

[ii] Processing of Department of Commerce (DoC) Award Closeout Notification Packet and SAC checklist. Engagement in update discussions with FPO and BTOP Team regarding administrative processes and legal requirements.

[iii] BTOP Project Closeout processes and Federal Security Interest obligations and documentation requirements started, including Asset Tracking and Tagging processes for BTOP property management, preparation of Property Status Reports (SF-428 and SF-429), Covenants of Purpose, Use and Ownership, and UCC-1 Statement filings. Continuous participation with DoC, NTIA, and NOAA Grant Office in Closeout Process update conferences.

[iv] Participation in the data collection efforts of the "MoBroadbandNow" State Broadband Data Mapping Program in accordance with the NOFA. Submittal of Final project tracking report as requested by the State of Missouri "MoBroadbandNow" Project in accordance with NTIA's State Broadband Initiative (SBI).

[v] Ongoing Principal Investigator (PI/PD) oversight activities, including compliance oversight, team update meetings, and conference calls with FPO and BTOP Team. PI/PDs expect to continue to participate in the BTOP webinars regarding Award Closeout Processes.

b) Technology, initial impacts and immediate benefits to rural communities upon "Sho-Me MO" BTOP Project completion:

[i] The NTIA investment in the "Sho-Me MO" BTOP Project expands Broadband availability geographically to an additional 26% to 29% percent of the State of Missouri. The "Sho-Me MO" BTOP Project creates a new 1,494 mile "backbone" middle-mile network reaching 34 PoP locations across thirty counties of largely rural Missouri most in need of connectivity and reliability.

[ii] This middle-mile fiber network is equipped with a state-of-the-art optical Dense Wavelength Division Multiplexing (DWDM) data transport platform with multi-degree Reconfigurable Optical Add-Drop Multiplexer (ROADM) technology, Multi Protocol Label Switching (MPLS) features, and future support of 100G.

[iii] Along the middle-mile fiber routes built through rural Missouri for the BTOP Project are last-mile "lateral" fiber connections reaching 101 Community Anchor Institutions (CAIs) approved by the NTIA. These key stakeholders include 30 K-12 schools, 13 public libraries, 13 public safety entities, 28 other government agencies, 3 community colleges, 3 higher education institutions, and 11 medical and healthcare providers.

[iv] This last-mile fiber network is equipped with 10G carrier-grade Ethernet transport switches with MPLS features installed at 34 PoPs designed to support 43 protected fiber spans, plus Ethernet nodes at the 101 CAIs.

[v] In cooperation with the Missouri Department of Elementary and Secondary Education (DESE), the "Sho-Me MO" BTOP Project delivers Broadband connections enabling over 30 rural K-12 schools to significantly improve bandwidth as required for the State's adoption of the "Common-Core" State Standards initiative.

[vi] Because of the "Sho-Me MO" BTOP Project, two rural K-12 school districts previously with only 4.5Mbps for their respective districts now have affordable 100Mbps Broadband access. Such Broadband speed and capacity are required to apply for and secure a funding to implement "One-to-One" (1:1) educational technology initiatives which according to one district superintendent are making a huge impact on the success of students.

[vii] Two community colleges have expanded their reach of online course offerings enabling rural students the opportunity to access higher education because of their Broadband connection to the "Sho-Me MO" BTOP Project.

[viii] Rural county courthouses connected to newly available Broadband access of the "Sho-Me MO" BTOP Project are consolidating their respective networks and providing higher speeds on a more secure and reliable network thereby improving services for and savings to their local taxpayers.

[ix] Ten entities including wholesale and last-mile providers are able to expand high speed Broadband offerings to reach more remote service areas because of the "Sho-Me MO" BTOP Project presence through their rural communities.

[x] Two manufacturing firms have expressed being saved from relocating their operations away from their rural communities, avoiding devastation to their local economies, saving jobs and enabling growth of their business because the arrival of affordable high-speed Broadband services considered critical for their survival are now available from the "Sho-Me MO" BTOP Project.

2. Please provide the percent complete for the following key milestones in your project. Write "0" in the Planned Percent Complete column and "N/A" in the Narrative column if your project does not include this activity. If you provided additional milestones in your baseline plan, please insert them at the bottom of the table. Unless otherwise indicated in the instructions, figures should be reported cumulatively from

award inception to the end of the next reporting quarter. Please provide a narrative description if the percent complete is different from the target provided in your baseline plan (300 words or less).

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	Overall Project	100	No variance.
2b.	Environmental Assessment	100	No variance.
2c.	Network Design	100	No variance.
2d.	Rights of Way	100	No variance.
2e.	Construction Permits and Other Approvals	100	No variance.
2f.	Site Preparation	100	No variance.
2g.	Equipment Procurement	100	No variance.
2h.	Network Build (all components - owned, leased, IRU, etc.)	100	No variance.
2i.	Equipment Deployment	100	No variance.
2j.	Network Testing	100	No variance.
2k.	Other (please specify): Legal, Administrative, Pre-Award Expenses	100	No variance.

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 at this time.

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	\$583,281	\$0	\$583,281	\$546,275	\$104,956	\$441,319	\$546,275	\$104,956	\$441,319
b. Land, structures, right-of-ways, appraisals, etc.	\$572,400	\$0	\$572,400	\$218,026	\$48,459	\$169,566	\$218,026	\$48,459	\$169,566
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$1,190,000	\$0	\$1,190,000	\$1,119,757	\$167,520	\$952,237	\$1,119,757	\$167,520	\$952,237
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$295,000	\$150,000	\$145,000	\$810,700	\$86,441	\$724,259	\$810,700	\$86,441	\$724,259
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$24,114,319	\$8,800,000	\$15,314,319	\$25,605,952	\$10,570,956	\$15,034,996	\$25,605,952	\$10,570,956	\$15,034,996
j. Equipment	\$11,245,000	\$2,450,000	\$8,795,000	\$10,455,290	\$1,177,668	\$9,277,623	\$10,455,290	\$1,177,668	\$9,277,623
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$38,000,000	\$11,400,000	\$26,600,000	\$38,756,000	\$12,156,000	\$26,600,000	\$38,756,000	\$12,156,000	\$26,600,000
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$38,000,000	\$11,400,000	\$26,600,000	\$38,756,000	\$12,156,000	\$26,600,000	\$38,756,000	\$12,156,000	\$26,600,000

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