

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 NT10BIX5570101	3. DUNS Number 961720575
4. Recipient Organization Appalachian Valley Fiber Network 1170 PARKER LN, Lyerly, GA 30730-5017		
5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2011	6. Is this the last Report of the Award Period? <div style="text-align: center;"> <input type="radio"/> Yes <input checked="" type="radio"/> No </div>	
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 Deana Perry CFO	7c. Telephone (area code, number and extension) 7068574646	7d. Email Address deanaperry@parkersystems.net
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 02-05-2012	
Empty space for additional information or comments		

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 Continued with aggressive conduit construction, despite lack of fiber availability; 71 miles deployed (cumulative). Executed IRU for 197 miles of fiber (Atlanta to Chattanooga) with railroad. Successfully completed NTIA site visit and required audits. Prepared, released and awarded several construction RFPs. Set up and administered systems for materials procurement, inventory control, warehousing, staging and other key backoffice functions.

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	45	Our original baseline plan projected us to be 55% complete. Lack of fiber availability is primary reason for variance.
2b.	Environmental Assessment	78	Our original baseline plan projected us to be 100% complete. The work related to our EA is essentially complete, but since we ended up under budget from what we original projected to spend on this milestone, we will show a "variance" for the remainder of the program..
2c.	Network Design	64	Our original baseline plan projected us to be 100% complete. Lower than expected costs so far from NW Georgia Regional Commission is the primary reason for this variance.
2d.	Rights of Way	0	Our original baseline plan projected us to be 100% complete. Lower than expected costs for right of way perfection and joint use (pole) fees are the primary reasons for variance. These costs are still expected to be incurred, but they will be more back-loaded/deferred than we original expected. Despite the large % variance, this is a very small part of our overall project/budget.
2e.	Construction Permits and Other Approvals	18	Our original baseline plan projected us to be 100% complete. Lower than expected railroad permits so far is primary reason for variance. These costs are still expected to be incurred, but they will be more back-loaded/deferred than we original expected. Despite the large % variance, this is a very small part of our overall project/budget.
2f.	Site Preparation	0	We had no costs allocated in our budget specifically for this baseline category.
2g.	Equipment Procurement	77	Our original baseline plan projected us to be 100% complete. Primary reason for variance from our baseline is lower than expected costs for budgeted equipment.
2h.	Network Build (all components - owned, leased, IRU, etc)	46	Our original baseline plan projected us to be 47% complete. Lack of fiber availability is primary reason for this small variance.
2i.	Equipment Deployment	0	We had no costs allocated in our budget specifically for this baseline category.
2j.	Network Testing	0	We had no costs allocated in our budget specifically for this baseline category.
2k.	Other (please specify):	44	Our original baseline plan projected us to be 56% complete. Lower than expected admin, legal and other professional services costs so far is primary reason for variance. These costs are still expected to be incurred, but they will be more back-loaded/deferred than we original expected.

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).

Lack of fiber availability. BTOP program is already providing value for us in this area by sharing their insights and experiences from other projects.

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	0	We projected 60 miles in our original baseline. We achieved 71 miles of CONDUIT construction (due to lack of fiber availability). Since we can only record miles once fiber is deployed, we are required to record 0 miles this quarter.
New network miles leased	257	No variance. Exceeding the goals from our original baseline. Includes 60 miles from PFN and 197 miles from Norfolk Southern IRU.
Existing network miles upgraded	0	No variance.
Existing network miles leased	0	No variance.
Number of miles of new fiber (aerial or underground)	0	We estimated 120 miles in our baseline, however we interpreted this to mean the number of new miles deployed PLUS the number of new miles leased. We now understand that leased miles should not have been included in this category. We achieved 71 miles of new CONDUIT construction (due to lack of fiber availability), but were unable to count these miles since fiber has not been deployed. See above.
Number of new wireless links	0	No variance.
Number of new towers	0	No variance.
Number of new and/or upgraded interconnection points	443	No variance. Exceeding the goals from our original baseline.

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)	0

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:
None at this time. No fiber deployed yet.

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:
None at this time. No fiber cabling, no wholesale services.

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).
Not applicable.

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	Until we have fiber cabling to install in the ducts that have been deployed, it is not possible to provide services over the network.
	Providers with signed agreements receiving improved access	0	Until we have fiber cabling to install in the ducts that have been deployed, it is not possible to provide services over the network.
	Providers with signed agreements receiving access to dark fiber	0	Until we have fiber cabling to install in the ducts that have been deployed, it is not possible to provide services over the network.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Until we have fiber cabling to install in the ducts that have been deployed, it is not possible to provide services over the network.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Until we have fiber cabling to install in the ducts that have been deployed, it is not possible to provide services over the network.
	Subscribers receiving new access	0	Until we have fiber cabling to install in the ducts that have been deployed, it is not possible to provide services over the network.
	Subscribers receiving improved access	0	Until we have fiber cabling to install in the ducts that have been deployed, it is not possible to provide services over the network.
	Please identify the speed tiers that are available and the number or subscribers for each	0	Until we have fiber cabling to install in the ducts that have been deployed, it is not possible to provide services over the network.
Residential / Households	Entities passed	0	Not applicable.
	Total subscribers served	0	Not applicable.
	Subscribers receiving new access	0	Not applicable.
	Subscribers receiving improved access	0	Not applicable.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Not applicable.
Businesses	Entities passed	0	Not applicable.
	Total subscribers served	0	Not applicable.
	Subscribers receiving new access	0	Not applicable.
	Subscribers receiving improved access	0	Not applicable.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Not applicable.

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
N/A	NA	N/A	N/A	N/A

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 Continue aggressive deployment of conduit. Receive our first orders of fiber cabling and begin the process of blowing/pulling it into existing conduit.

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	57	Original baseline goal was 62%. Delayed fiber availability and lower than expected costs in some categories are primary reasons for expected variance.
2b. Environmental Assessment	78	Original baseline goal was 100%. The work related to our EA is essentially complete, but since we ended up under budget from what we original projected to spend on this milestone, we will show a "variance" for the remainder of the program.
2c. Network Design	69	Original baseline goal was 100%. Continued lower than expected costs from NW Georgia Regional Commission is the primary reason for expected variance.
2d. Rights of Way	1	Original baseline goal was 100%. Continued lower than expected costs for right of way perfection and joint use (pole) fees are the primary reasons for expected variance. Despite the large % variance, this is a very small part of our overall project/budget.
2e. Construction Permits and Other Approvals	25	Original baseline goal was 100%. Continued lower than expected railroad permit costs is primary reason for expected variance. Despite the large % variance, this is a very small part of our overall project/budget.
2f. Site Preparation	0	We had no costs allocated in our budget specifically for this baseline category.
2g. Equipment Procurement	87	Original baseline goal was 100%. Continued lower than expected equipment costs are primary reason for expected variance.
2h. Network Build (all components - owned, leased, IRU, etc.)	58	Original baseline goal was 58%. No variance projected.
2i. Equipment Deployment	0	We had no costs allocated in our budget specifically for this baseline category.
2j. Network Testing	0	We had no costs allocated in our budget specifically for this baseline category.
2k. Other (please specify):	57	Original baseline goal was 68%. Continued lower than expected admin, legal and other professional services costs is primary reason for expected 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).

There is some risk that vendors who have committed to deliver fiber cabling will fail to deliver, or will communicate further delays.

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	\$2,885,804	\$152,882	\$2,732,922	\$1,300,152	\$22,882	\$1,277,270	\$1,690,682	\$152,882	\$1,537,800
b. Land, structures, right-of-ways, appraisals, etc.	\$3,167,019	\$0	\$3,167,019	\$2,085,389	\$0	\$2,085,389	\$2,095,000	\$0	\$2,095,000
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$800,939	\$0	\$800,939	\$791,076	\$0	\$791,076	\$800,939	\$0	\$800,939
e. Other architectural and engineering fees	\$586,469	\$0	\$586,469	\$116,393	\$0	\$116,393	\$171,393	\$0	\$171,393
f. Project inspection fees	\$279,877	\$0	\$279,877	\$23,764	\$0	\$23,764	\$70,418	\$0	\$70,418
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	\$18,279,455	\$5,002,566	\$13,276,889	\$6,548,598	\$5,002,566	\$1,546,032	\$9,808,490	\$5,002,566	\$4,805,924
j. Equipment	\$560,395	\$287,895	\$272,500	\$499,013	\$287,895	\$211,118	\$524,905	\$287,895	\$237,010
k. Miscellaneous	\$170,300	\$0	\$170,300	\$33,372	\$0	\$33,372	\$57,368	\$0	\$57,368
l. SUBTOTAL (add a through k)	\$26,730,258	\$5,443,343	\$21,286,915	\$11,397,757	\$5,313,343	\$6,084,414	\$15,219,195	\$5,443,343	\$9,775,852
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$26,730,258	\$5,443,343	\$21,286,915	\$11,397,757	\$5,313,343	\$6,084,414	\$15,219,195	\$5,443,343	\$9,775,852

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