

RECIPIENT NAME:University of Illinois

AWARD NUMBER: NT10BIX5570044

DATE: 08/07/2012

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

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 NT10BIX5570044	3. DUNS Number 041544081
4. Recipient Organization University of Illinois 506 Wright Street 364 Henry Admin. Bldg, Urbana, IL 61801-3620		
5. Current Reporting Period End Date (MM/DD/YYYY) 06-30-2012	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No	
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 Michael K Smeltzer Director of Networkiing	7c. Telephone (area code, number and extension) 2172443835	
	7d. Email Address smeltzer@uillinois.edu	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 08-07-2012	

Project Indicators (This Quarter)

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

The second quarter of 2012 was a productive one for UC2B. Our contractor in Urbana has completed just about all of the conduit installation for the fiber rings and the fiber-to-the-curb, and is finishing up with manhole installation and landscape restoration. They have started pulling fiber and splicing as well. The contractor on the University campus has installed all of the ring conduits, manholes and fiber and has started splicing. The contractor in Champaign and Savoy is 88% complete with conduits and has started pulling fiber as well.

The work in the nodes for the central core network equipment is just about complete. The DC power systems are installed and operational and our networking staff members have started configuring and testing the core networking equipment in those nodes. The twelve neighborhood equipment cabinets have arrived and will be installed soon. We have placed orders for the remaining core network equipment as well as the customer premise equipment.

We have recently completed the RFP process to hire a contractor for building fiber from the curb into the homes, businesses and Community Anchor Institutions and installing customer premise electronics. We have signed a contract with the winning firm. They will start their work in July and continue through the end of our BTOP grant period – January 31, 2013.

All of this is leading up to the beginning of UC2B services to customers in select areas in August and expanding those areas throughout the fall. Our Community Ambassadors are going door-to-door securing signatures on service agreements with Anchor Institutions, businesses and households and doing the pre-coordination work for the fiber installation.

At the end of June we had 299 signed contracts, representing 277 households and 4 businesses in the Fiber-to-the-Premise (FTTP) service areas and 18 Community Anchor Institutions spread across the entire community.

Of those 299 customers, 70.5% (211) subscribed to the 20/1,000 Mbps Consumer service, while 14.4% (43) subscribed to the 30/1,000 Mbps Consumer service while another 14.4% (43) subscribed to the 40/1,000 Mbps Consumer service. There was one business that subscribed to the 20/1,000 Mbps Commercial service and one Anchor Institution that subscribed to the 40/1,000 Commercial service.

Those numbers represent a much higher percentage of customers subscribing to the higher bandwidth services than we had projected. If those percentages hold as we sign up additional subscribers that will help our sustainability. While it is too early to make any bold statements, thus far we seem to have crafted services and prices that are being well received by the underserved residents in our grant-funded FTTP service areas.

Thus far all budget categories are within our projections, but we have not closed out any of the construction contracts yet, and we know that some of the funds we set aside for contingency will be used. By the end of the next quarter we should have a more detailed understanding of where we are with our budget.

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	46	Our baseline projected 95%, which was based on getting a lot of construction completed in the summer of 2011, which did not happen. Due to the delays in completing our detailed fiber design and in hiring our construction contractors, construction did not begin until the end of the 3rd quarter of 2011. Both contractors now close to completing their conduit, manholes and handholes and are pulling and splicing fiber. Now that we have construction workers in the field, we expect to complete our overall project in January of 2013. The percentage shown reflects the actual dollars spent to date.
2b.	Environmental Assessment	100	Complete
2c.	Network Design	100	Complete

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2d.	Rights of Way	95	Baseline projected 100%. We are in the final stages of securing several previously identified private easements. Since construction has started, we have discovered several additional locations where the cities thought they had an existing right-of-way, but the nearby property owners believe otherwise. Those issues are in the process of being resolved. There are also some lingering easement issues with the owners of two mobile home parks. We do not project these issues will impact the timely completion of our construction.
2e.	Construction Permits and Other Approvals	100	Complete
2f.	Site Preparation	100	Complete
2g.	Equipment Procurement	50	Baseline projected at 100%. We have now received 50% of our equipment, but not all of those invoices cleared by the end of the quarter. The equipment that resides at a customer location will be purchased on an as-needed basis. There is typically a one or two-year warranty on the customer equipment, which starts when it is purchased, not when it is installed. If we purchase the customer equipment too far ahead of time, we use up too much of the warranty before it is ever deployed. We expect to purchase the last of the customer premise equipment in the 1st quarter of 2013.
2h.	Network Build (all components - owned, leased, IRU, etc)	75	Baseline projection was 96%. Construction was delayed by the length of time it took for the Environmental Assessment, the fiber engineering and completing the RFP process for our construction contractors. We underestimated all three in our baseline plan. The final Network Build will be completed in January of 2013. While this is not a metric that NTIA is tracking, we have installed 146 miles of conduit through June, which represents 92% of the total conduit for the project.
2i.	Equipment Deployment	50	Baseline projection was 100%. Equipment Deployment has been delayed by the length of time it took for the Environmental Assessment, the fiber engineering and completing the RFP process for our construction contractors. We underestimated all three in our baseline plan. Our 14 core active Ethernet chassis have all been deployed as have most of our core network electronics. None of our Customer Premise Equipment (CPE) has been deployed however. We will be installing customers through January of 2013, so the final date for equipment deployment will be January 31, 2013.
2j.	Network Testing	0	Baseline projection was 100%. Network Testing has been delayed by the length of time it took for the Environmental Assessment, the fiber engineering and completing the RFP process for our construction contractors. We underestimated all three in our baseline plan. We originally projected network testing to be complete by this quarter. It now seems likely that the actual date will be late in the 3rd quarter or early in the 4th quarter of 2012 instead.
2k.	Other (please specify):	0	N/A

3. To the extent not covered above, please describe any challenges or issues faced during this past quarter in achieving planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).

There have been some slight delays of the materials needed to construct fiber from the curb to the homes, businesses and Anchor Institutions. Those delays should be resolved early in the 3rd quarter.

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	88	Baseline projected 179.78 miles. Our detailed fiber engineering and our construction bidding have taken longer than we estimated in our baseline plan. We are therefore behind in starting construction by about two quarters. Our contractors did receive their fiber in the 1st quarter of 2012. As they get close to finishing their conduit installations, they are concentrating on installing fiber. We expect to get caught up to our baseline projection in the 3rd quarter of 2012. While this is not a metric that NTIA is tracking, we have installed 146 miles of conduit through June.
New network miles leased	0	N/A
Existing network miles upgraded	2	This was not a milestone in the Baseline Plan, but we have some short segments of conduit and fiber that we are taking over from the cities of Urbana and Champaign. These will be complete at the end of the next quarter.
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	88	Baseline projected 179.78 miles. Our detailed fiber engineering and our construction bidding have taken longer than we estimated in our baseline plan. We are therefore behind in starting construction by about two quarters. Our contractors did receive their fiber in the 1st quarter of 2012. As they get close to finishing their conduit installations, they are concentrating on installing fiber. We expect to get caught up to our baseline projection in the 3rd quarter of 2012. While this is not a metric that NTIA is tracking, we have installed 146 miles of conduit through June.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	226	Baseline projected 495 interconnection points. Our detailed fiber engineering and our construction bidding took longer than we estimated in our baseline plan. We are therefore behind in starting construction by about two quarters. As our contractors continue installing and splicing fiber in the third quarter, this number will grow significantly. We expect to get caught up to our baseline projection in the 3rd quarter of 2012.

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	3
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: We do not have any signed agreements with wholesale or last mile providers yet. At the end of the quarter the UC2B Policy Committee had not yet approved the proposed wholesale layer two and layer three service rates. Those discussions have begun and should be finalized in the coming quarter. IRU and dark fiber lease pricing has been approved.

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: UC2B will offer 20-year dark fiber Indefeasible Rights of Use (IRU) contracts, as well as shorter-term dark fiber leases. Pricing for both

are attached to this report. UC2B will also offer layer-two and layer-three wholesale services. The proposed pricing for those services is also attached to this report.

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).

While we we may do so in the future, at this time we have not designated a third party to operate any of our network.

6. Please provide the data according to the type of subscriber. Write "0" in the Total column and "N/A" in the Narrative column if your project does not pass or serve a particular subscriber type. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (300 words or less).

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Broadband Wholesalers or Last Mile Providers	Providers with signed agreements receiving new access	0	Our baseline projected 1 provider with new access. Because we have not connected any providers yet we are behind in this category. Our detailed fiber engineering and our construction bidding took longer than we estimated in our baseline plan. We are therefore behind in starting construction by about two quarters. We expect to be caught up with our baseline projection in this area by the end of the 3rd quarter of 2012.
	Providers with signed agreements receiving improved access	0	Our baseline projected 4 providers with improved access. Because we have not connected any providers yet we are behind in this category. Our detailed fiber engineering and our construction bidding took longer than we estimated in our baseline plan. We are therefore behind in starting construction by about two quarters. As explained elsewhere in this report, we now expect a total of 3 providers with improved access. We expect to have those providers signed by the end of the 3rd quarter of 2012.
	Providers with signed agreements receiving access to dark fiber	0	The baseline did not include a projection for dark fiber customers. We are in active negotiations with one provider for dark fiber that should be concluded in the 3rd quarter.
	Please identify the speed tiers that are available and the number of subscribers for each	4	While our suite of wholesale services is currently under review, the proposed wholesale services are provided on the attachment titled UC2B Wholesale Services. There are four planned levels of Wholesale and Last Mile Provider connectivity. Three of those are core connection options and there is a single customer connection option. There used to be two customer connection options, but that was an artifact of our our previous plan to use both 100 Mbps and 1 Gbps CPE. Now that we are only using 1 Gbps CPE, we opted to drop the 100 Mbps offering, as it would be hard to accomplish technically, while still providing Gigabit access to our local network resources. This will be finalized in the next quarter.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Our baseline was 143 total CAIs served. Our detailed fiber engineering and our construction bidding have taken longer than we estimated in our baseline plan. We will serve our first Community Anchor Institutions in the 3rd quarter of 2012. We will get back on our baseline plan in the 4th quarter of 2012.
	Subscribers receiving new access	0	Our baseline was zero.
	Subscribers receiving improved access	0	Our baseline was 143 CAIs receiving improved access. Our detailed fiber engineering and our construction bidding have taken longer than we estimated in our baseline plan. We will serve our first Anchor Institutions in the 3rd quarter of 2012. We will get back on our baseline plan in the 4th quarter of 2012.
	Please identify the speed tiers that are available and the number or subscribers for each	11	There are no active CAI customers at this time. Anchor Institutions can self select to subscribe to either our Consumer or Commercial service plans. There are three Consumer plans and eight Commercial plans that allow for additional public IP addresses and greater bandwidth than in our Consumer plans. The retail tiers are detailed on the attached Schedule of Retail Services. None of these tiers have any subscribers at this time.

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	1,757	Our baseline was 4,640. Our detailed fiber engineering and our construction bidding took longer than we estimated in our baseline plan. We have now begun to blow fiber. We will serve our first residential customer in the 3rd quarter of 2012. We will get back on our baseline plan in the 4th quarter of 2012.
	Total subscribers served	0	Baseline was 2,000. Our detailed fiber engineering and our construction bidding took longer than we estimated in our baseline plan. We have now begun to blow ring and fiber-to-the-curb fiber. We will finish hiring our contractor(s) for installing fiber from the curb into the buildings (FTTP) in the second quarter, but they will probably not begin making those installations until the last week of July. We are requiring our bidders on the FTTP RFP to demonstrate that they can accomplish the number of installations per week that we need to achieve in order to complete our project by 1/31/2013. We do not expect to catch up to our baseline numbers until the end of the 4th quarter of 2012.
	Subscribers receiving new access	0	Our baseline was 300. Our detailed fiber engineering and our construction bidding took longer than we estimated in our baseline plan. We have now begun to blow fiber. We will serve our first residential customer in the 3rd quarter of 2012. We will get back on our baseline plan in the 4th quarter of 2012.
	Subscribers receiving improved access	0	Our baseline was 1,700. Our detailed fiber engineering and our construction bidding took longer than we estimated in our baseline plan. We have now begun to blow fiber. We will serve our first residential customers in the 3rd quarter of 2012. We will get back on our baseline plan in the 4th quarter of 2012.
	Please identify the speed tiers that are available and the number of subscribers for each	11	Households can self select to subscribe to either our Consumer or Commercial service plans. There are three Consumer plans and eight Commercial plans that allow for additional public IP addresses and greater bandwidth than in our Consumer plans. The retail tiers are detailed on the attached Schedule of Retail Services. None of these tiers have any subscribers at this time.
Businesses	Entities passed	75	Our baseline was 200 businesses passed with fiber. Our detailed fiber engineering and our construction bidding took longer than we estimated in our baseline plan. We have now begun to blow fiber. We will serve our first business in the 3rd quarter of 2012. We will get back on our baseline plan in the 4th quarter of 2012.
	Total subscribers served	0	Our baseline was 57 total businesses served. Our detailed fiber engineering and our construction bidding took longer than we estimated in our baseline plan. We have now begun to blow fiber. We will serve our first business in the 3rd quarter of 2012. We will get back on our baseline plan in the 4th quarter of 2012.
	Subscribers receiving new access	0	Our baseline was 9 businesses receiving new access. Our detailed fiber engineering and our construction bidding took longer than we estimated in our baseline plan. We have now begun to blow fiber. We will serve our first business in the 3rd quarter of 2012. We will get back on our baseline plan in the 4th quarter of 2012.
	Subscribers receiving improved access	0	Our baseline was 48 businesses receiving improved access. Our detailed fiber engineering and our construction bidding took longer than we estimated in our baseline plan. We have now begun to blow fiber. We will serve our first business in the 3rd quarter of 2012. We will get back on our baseline plan in the 4th quarter of 2012.
	Please identify the speed tiers that are available and the number of subscribers for each	11	Businesses can self select to subscribe to either our Consumer or Commercial service plans. There are three Consumer plans and eight Commercial plans that allow for additional public IP addresses and greater bandwidth than in our Consumer plans. The retail tiers are detailed on the attached Schedule of Retail Services. None of these tiers have any subscribers at this time.

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

All of our customers will have 1 Gbps symmetric Intranet connectivity to each other, and to all local Community Anchor Institutions. While Internet connectivity will be sold in tiers of bandwidth, UC2B Intranet connectivity will be limited only by the port speed of the customer's Optical Network Terminal (ONT), which will be 1 Gbps. This is very similar to the service model deployed by Lafayette, Louisiana in their Fiber-to-the-Premise system.

The community wireless plan we were considering is on hold for now.

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
None	N/A	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).

The next quarter will be our most rewarding to date, as we will connect the first customers and commence providing services. In order for that to happen, a lot of previously parallel activities will need to converge. The phase one contractors will finish installing and splicing the fiber cables necessary to turn up the first fiber service areas that we are now calling "fiberhoods" – borrowing a phrase from Google. The upstream Internet connection will go live after all of the core network equipment is delivered, configured and brought on-line. The first of the 12 neighborhood cabinets will be powered up in early August, and by the end of that month, all 12 should be live.

The phase two contractors will be completing fiber from the curb into homes, businesses and Anchor Institutions and installing the customer premise equipment. We have issued RFPs for call center support and for on-site customer support. Both of those will be awarded in the next quarter and those firms will begin servicing our customers.

We will of course continue our outreach and canvassing efforts as we strive to reach our goal of 2,700 Fiber-to-the-Premise (FTTP) customers. We have a fair number of rental properties and Multiple Dwelling Units in our FTTP service areas, and we have just rolled out a plan to engage those landlords. Most of our subscriptions to date have come from owner-occupied dwellings. There are also two mobile home parks that we should be able to market to in the next quarter. Private easement issues have delayed that effort, but the easements are just about in place.

In the next quarter we plan to complete conduit deployment of some 160 miles. In the next quarter we plan to complete fiber deployment of some 203 miles. Most of our fiber-to-the-premise fiber from the curbs to the buildings is direct buried and not in conduit, which is why our fiber mileage total will be greater than our conduit mileage total. This number is also greater than our baseline projection for total network miles, for we did not include the fiber drop cables in our baseline projection of network miles.

By the end of the next quarter we plan to have 75 Community Anchor Institutions connected to UC2B fiber.

Next quarter we will also finalize our layer-two and layer-three wholesale pricing plans and be in a position to sign up additional service providers. Three local firms continue to express interest in providing services over the UC2B fiber infrastructure. A fourth service provider we were talking to has elected to concentrate on its core service area for now and not expand to our community. By the end of the next quarter we plan to have one broadband/wholesaler/last mile provider agreement signed and two very close to being signed.

We will also finalize our dark fiber IRU contract forms and get signatures and funds from those organizations seeking IRUs. That will be considered program income that will be used as part of our local match.

Next quarter we will also examine our budget and our remaining funds and determine whether or not to request permission from NTIA to connect another 50+ Community Anchor Institutions (CAIs) that were inadvertently left off the CAI list that was submitted with our initial BTOP grant application. We included these sites on our route maps when we submitted our revised Environmental Assessment, which was approved, so if we have funding and permission, we should be good to go. That request would probably advance to NTIA in late August or early September.

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	72	Baseline projection was 100%. All milestones that are projected to be behind are due to the unplanned-for length of time required by the Environmental Assessment, and then the delays in completing our fiber engineering and the delays in hiring our fiber construction contractors. We are now past all of those delays and construction began with a great deal of urgency in the 3rd quarter of 2011. The 72% projection is based on the projection of spending 72% of our total project budget, not just our federal grant. We are currently top heavy with local matching expenditures, so just measuring the federal spend against the federal grant is not a true representation of where we will be. There will be significant federal spending in the 3rd quarter of 2012 and in the remaining quarters. We believe we can complete the project by our 1/31/2013 end date.
2b.	Environmental Assessment	100	Complete
2c.	Network Design	100	Complete
2d.	Rights of Way	100	Complete
2e.	Construction Permits and Other Approvals	100	Complete
2f.	Site Preparation	100	Complete
2g.	Equipment Procurement	85	Baseline projection was 90%. All milestones that are projected to be behind are due to the unplanned-for length of time required by the Environmental Assessment, and then the delays in completing our fiber engineering and the delays in hiring our fiber construction contractors. We are now past all of those delays and construction has progressed with a great deal of urgency. Equipment procurement has been further delayed by a conscious decision to wait until after FTTP electronics vendor released a significant upgrade to their product. That upgrade has now been released. The core network equipment will all have been purchased. However, the equipment that resides at a customer's location and the core components that connect directly to the customers' equipment will be purchased on an as-needed basis. There is typically a one or two-year warranty on the customer equipment, which starts when it is purchased, not when it is installed. If we purchase the customer equipment too far ahead of time, we use up too much of the warranty before it is ever deployed. We expect to purchase the last of this customer-specific equipment in the 4th quarter of 2012.
2h.	Network Build (all components - owned, leased, IRU, etc.)	90	Baseline projection was 96%. All milestones that are projected to be behind are due to the unplanned-for length of time required by the Environmental Assessment, and then the delays in completing our fiber engineering and the delays in hiring our fiber construction contractors. We are now past all of those delays and construction has begun with a great deal of urgency. We expect to conform to the projections in our baseline by the 1st quarter of 2013. The final network build will be completed in January of 2013.
2i.	Equipment Deployment	80	Baseline projection was 100%. All milestones that are projected to be behind are due to the unplanned-for length of time required by the Environmental Assessment, and then the delays in completing our fiber engineering and the delays in hiring our fiber construction contractors. We are now past all of those delays and construction has begun with a great deal of urgency. Equipment procurement has been further delayed by a conscious decision to wait until after our FTTP electronics vendor released a significant upgrade to their product. That upgrade has now been released. We do not expect to get back on track with this baseline projection until the 1st quarter of 2013, which is the end of our project. All of the core network and most of the core FTTP equipment will be deployed by the end of next quarter.
2j.	Network Testing	90	Baseline projection was 100%. All milestones that are projected to be behind are due to the unplanned-for length of time required by the Environmental Assessment, and then the delays in completing our fiber engineering and the delays in hiring our fiber construction contractors. We are now past all of those delays and construction has begun with a great deal of urgency. We projected network testing to be complete by the 2nd quarter of 2012. It now seems likely that the actual date will be in the 4th quarter of 2012 instead.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2k.	Other (please specify): N/A	0	N/A

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).

We are not anticipating any challenges or issues in the next quarter.

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	\$23,200	\$0	\$23,200	\$0	\$0	\$0	\$15,000	\$0	\$15,000
b. Land, structures, right-of-ways, appraisals, etc.	\$23,200	\$0	\$23,200	\$0	\$0	\$0	\$10,000	\$0	\$10,000
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$1,802,479	\$1,500,000	\$302,479	\$1,468,890	\$1,468,890	\$0	\$1,700,000	\$1,500,000	\$200,000
e. Other architectural and engineering fees	\$742,471	\$500,000	\$242,471	\$50,000	\$0	\$50,000	\$200,000	\$0	\$200,000
f. Project inspection fees	\$783,992	\$0	\$783,992	\$500,000	\$0	\$500,000	\$700,000		\$700,000
g. Site work	\$33,500	\$0	\$33,500	\$33,500	\$0	\$33,500	\$33,500	\$0	\$33,500
h. Demolition and removal	\$74,880	\$0	\$74,880	\$74,880	\$0	\$74,880	\$74,880	\$0	\$74,880
i. Construction	\$22,232,196	\$4,852,149	\$17,380,047	\$10,188,453	\$2,497,341	\$7,691,111	\$16,000,000	\$3,500,000	\$12,500,000
j. Equipment	\$3,592,892	\$0	\$3,592,892	\$900,000	\$0	\$900,000	\$2,500,000		\$2,500,000
k. Miscellaneous	\$78,115	\$0	\$78,115	\$40,000	\$0	\$40,000	\$45,000	\$0	\$45,000
l. SUBTOTAL (add a through k)	\$29,386,925	\$6,852,149	\$22,534,776	\$13,255,723	\$3,966,231	\$9,289,491	\$21,278,380	\$5,000,000	\$16,278,380
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$29,386,925	\$6,852,149	\$22,534,776	\$13,255,723	\$3,966,231	\$9,289,491	\$21,278,380	\$5,000,000	\$16,278,380

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: \$60,000
---	-------------------------------------