

QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information		
1. Federal Agency and Organizational Element to Which Report is Submitted GOL	2. Award Identification Number NT10BIX5570033	3a. DUNS Number 141249024
		3b. EIN XXXXXXXXXXX
4. Recipient Organization (Name and complete address including country, congressional district, and zip code) Iniciativa Tecnologica Centro Oriental (INTECO) Turabo University St.189 KM3.3, Gurabo, PR 00778-3030		
5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2010	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 Francisco Garcia Vice President of Operations	7c. Telephone (area code, number and extension) 7876535170	
	7d. Email Address fgarcia@intecopr.com	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-24-2010	

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (150 words or less).
 Issuance and on time submission of ARRA Report for 2nd Quarter 2010 Report was approved.
 Issuance and on time submission of BTOP Progress Quarterly Report for 2nd Quarter 2010. Report was approved.
 Issuance and on time submission of Federal Transaction Report (SF-425).
 Issuance and on time submission of EA Progress Report and also of EA Draft.
 Start and efficient progress of the updated engineering network design.
 EA Final Draft as of the end of this quarter was efficiently on progress.
 Will comply with the due date established for submission of EA 10/7/2010.

2. Please provide the percent complete for the following key milestones in your project. Write "N/A" in the second 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 (100 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	7	No variance from baseline.
2b.	Environmental Assessment	85	Variance of 15% due to needed update of the network design (Ex. spectrum, site locations and commercial tower availability). Also as a critical factor for variance is the time that the State Historic Preservation Office (SHPO) has taken to issue comments.
2c.	Network Design	50	No variance from baseline.
2d.	Rights of Way	30	No variance from baseline.
2e.	Construction Permits and Other Approvals	0	Variance of 20% due to needed update of the network design (Ex. spectrum, site locations and commercial tower availability). Also as a critical factor for variance is the time that the State Historic Preservation Office (SHPO) has taken to issue comments.
2f.	Site Preparation	0	Variance of 5% due to needed update of the network design (Ex. spectrum, site locations and commercial tower availability). Also as a critical factor for variance is the time that the State Historic Preservation Office (SHPO) has taken to issue comments.
2g.	Equipment Procurement	0	No variance from baseline.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	No variance from baseline.
2i.	Equipment Deployment	0	No variance from baseline.
2j.	Network Testing	0	No variance from baseline.
2k.	Other (please specify): Administration and Project Management (18%) Federal Grant Expenditures (3%)	0	No variance from baseline. Variance of 4% because of the transmittal and approval of a reprogram-rebudget request in the SAC budget, network design verification and delay in start construction activities since EA-FONSI have not been completed because of SHPO delay.

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 (150 words or less).

(1) State Historic Preservation Office (SHPO) has not yet issued any comments although request was file more than 4 months ago.
 (2) Some of the sites locations of the fifteen existing towers to be leased, as well as the eight towers to be built in the design, had to be changed. This occurred if existing towers had their capacity used up and different tower placements sites needed to be considered. The same issue occurred with the expected sites of the tower sites to be leased; we needed to verify that the land owners hadn't made any commitments in the last year and some had. The change of placement of a few towers in the network didn't change the scope of the project, but the EA "Environmental Assessment" submission with final site locations was needed to have final design verified and completed as the EA process is completed with updated locations.

4. Please report the following information regarding network build progress. Write "N/A" in the second 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 (100 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	No variance from baseline.
New network miles leased	0	No variance from baseline.
Existing network miles upgraded	0	No variance from baseline.
Existing network miles leased	0	No variance from baseline.
Number of miles of new fiber (aerial or underground)	0	No variance from baseline.
Number of new wireless links	0	No variance from baseline.
Number of new towers	0	No variance from baseline.
Number of interconnection points	0	No variance from baseline.

For questions 5 and 6 please include information relating to agreements that you are negotiating or have entered into, or that your subrecipient, 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	0
Average term of signed agreements	0

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements. Providers:

N/A.

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. Wholesale services description:

No wholesale services are currently being offered at this stage.

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 subrecipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this third party operates (150 words or less).

No designated third party.

6. Please provide the data according to the type of subscriber. Write "N/A" 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 (100 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	No variance from baseline.
	Providers with signed agreements receiving improved access	0	No variance from baseline.
	Providers with signed agreements receiving access to dark fiber	0	No variance from baseline.
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance from baseline. For all providers dedicated internet access at 2/1 mbps symmetrical, 6/2 mbps and 9/3 mbps.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	No variance from baseline.
	Subscribers receiving new access	0	No variance from baseline.
	Subscribers receiving improved access	0	No variance from baseline.
	Please identify the speed tiers that are available and the number or subscribers for each	0	No variance from baseline. For all subscribers, 2/1 mbps, 6/2 mbps dedicated internet access and Metro E.
Residential / Households	Entities passed	0	N/A. No variance from baseline.
	Total subscribers served	0	N/A. No variance from baseline.
	Subscribers receiving new access	0	N/A. No variance from baseline.
	Subscribers receiving improved access	0	N/A. No variance from baseline.
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A. No variance from baseline.
Businesses	Entities passed	0	No variance from baseline.
	Total subscribers served	0	No variance from baseline.
	Subscribers receiving new access	0	No variance from baseline.
	Subscribers receiving improved access	0	No variance from baseline.
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance from baseline. for all subscribers 2/1 mbps, 6/2 mbps and 9/3 mbps dedicated internet access and Metro E.

7. Please describe any special offerings you may provide (150 words or less).

Not applicable at this stage.

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

8b. If so, please describe the changes (150 words or less).

Not applicable at this stage.

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. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent calendar year. 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 (100 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	Central East	NONE	N/A	Any anchor institution is connected to network. Construction not started. Pre-construction stage.
NONE	Region of PR	NONE	N/A	

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (150 words or less).

Milestone #2 EA

Activities Q4-2010

1. EA Final Draft and Final versions completed and file to NTIA including SHPO clearances (100%).
2. FONSI status completed and properly documented (100%).

Milestone #3 Network Design

Activities Q4-2010

1. Final updating of complete network (100%).
2. Network design; spectrum agreements, site locations and commercial tower availability up date (100%).
3. GIS up date (100%).
4. PR Engineer Certifications of preliminary drawings (50%).

Milestone #4 Rights of Ways

Activities Q4-2010

1. Identification, research of right of way requirements and acquisition agreements (75%).

Milestone #5 Construction Permits and Other Approvals

Activities Q4-2010

1. Applications completion, packaging and submittals and/or data gathering; produce and file additional information requested and/or conduct meetings, coordination and clarifications and obtain permits and/or endorsement approvals (SHPO, PR Permits Administration, PR Planning Board, Electric Energy Authority and PR Telecommunications Regulation Board among others (20%).

Milestone #6 Site Preparation

Activities Q4-2010

1. Procurement process for contractor(s); detailed scope of work prepared for each site and/or construction permits and endorsements (10%).

Milestone #11 Other

Activities Q4-2010

1. Administration and Management works (10% completed).
2. Total Federal Expenditures = \$903,000

2. Please provide the percent complete for the following key milestones in your project. Write "N/A" in the second 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 (100 words or less).

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	Overall Project	10	Variance of 7%. Completion of EA "Environmental Assessment" held up due to various issues; including design verification and delay in SHPO comments being received. These issues which have been dealt with.
2b.	Environmental Assessment	100	No variance from baseline.
2c.	Network Design	100	No variance from baseline.
2d.	Rights of Way	50	No variance from baseline.
2e.	Construction Permits and Other Approvals	20	Variance of 30%. Delay in completing EA has delayed initiation of construction activities.
2f.	Site Preparation	10	Variance of 10%. Delay in completing EA has delayed site preparation activities.
2g.	Equipment Procurement	5	No variance from baseline.
2h.	Network Build (all components - owned, leased, IRU, etc.)	5	No variance from baseline.
2i.	Equipment Deployment	0	No variance from baseline.
2j.	Network Testing	0	No variance from baseline.

2k.	Other (please specify): Administration and Project Management (10%) Federal Grant Expenditures (7%)	0	Variance of 17%. Completion of EA held up due to various issues; including design verification and delay in SHPO comments being received. These issues have been dealt with. Variance of 10%. Completion of EA held up due to various issues. Major cost expenditures have not occurred since EA Environmental Assessment has to be approved before procurement activities are awarded.
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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 (150 words or less).

1. Delay in receiving written comments from State Historic Preservation Office (SHPO). Submitted all requested information.
2. Some of the sites locations of the fifteen existing towers to be leased, as well as the eight towers to be built in the design, had to be changed. This occurred if existing towers had their capacity used up and different tower placements sites needed to be considered. The same issue occurred with the expected sites of the tower sites to be leased, we needed to verify that the land owners hadn't made any commitments in the last year and some had. The change of placement of few towers in the network didn't change the scope of the project but the EA "Environmental Assessment" submission with final site locations was needed to have the design verified and completed as the EA process is completed with updated locations.
3. To assure completion of the project within the three year time frame required, steps will be taken to mitigate the additional time required to complete the EA process. Competitive procurement processes will be moved as a step function instead of sequentially.

Infrastructure Budget Execution Details

Activity Based Expenditures (Infrastructure)

1. Please provide details below on your total budget, cumulative actual expenditures (for the period ending the current quarter), and cumulative anticipated expenditures (for the period ending next quarter) for each line item, including detailed disbursements of both matching funds and federal funds from project inception through end of this quarter (actual) or next quarter (anticipated). Actual and anticipated figures should be reported cumulatively from award inception to the end of the applicable reporting quarter.

Budget for Entire Project				Actuals from Project Inception through End of Current Reporting Period			Anticipated Actuals from Project Inception through End of Next Reporting Period		
Cost Classification	Total Cost (plan)	Matching Funds (plan)	Federal Funds (plan)	Total Cost	Matching Funds	Federal Funds	Total Costs	Matching Funds	Federal Funds
a. Administrative and legal expenses	\$1,202,000	\$0	\$1,202,000	\$411,383	\$0	\$411,383	\$903,000	\$8,000	\$895,000
b. Land, structures, right-of-ways, appraisals, etc.	\$4,805,650	\$3,412,500	\$1,393,150	\$0	\$0	\$0	\$0	\$0	\$0
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$178,000	\$0	\$178,000	\$0	\$0	\$0	\$0	\$0	\$0
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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$2,038,396	\$0	\$2,038,396	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$7,489,453	\$0	\$7,489,453	\$0	\$0	\$0	\$0	\$0	\$0
k. Miscellaneous	\$630,175	\$0	\$630,175	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$16,343,674	\$3,412,500	\$12,931,174	\$411,383	\$0	\$411,383	\$903,000	\$8,000	\$895,000
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$16,343,674	\$3,412,500	\$12,931,174	\$411,383	\$0	\$411,383	\$903,000	\$8,000	\$895,000

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
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