

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 NT10BIX5570017	3. DUNS Number 188655898
4. Recipient Organization Executive Office of the Commonwealth of Pennsylvania (Office of Administration) 225 Capitol Building, Harrisburg, PA 17120-0001		
5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2013	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 Holly Caudill Administrative Officer	7c. Telephone (area code, number and extension) 7174257650	7d. Email Address hcaudill@state.pa.us
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-20-2013	

Project Indicators (This Quarter)

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

During the third quarter, work was completed on the final two microwave backbone sites reaching into Sullivan County. Upon completion of these links, we were able to connect the Sullivan County Courthouse building in Laporte and Emergency Resource Communication Center (ERCC) two miles outside of town. Within the courthouse, a total of 14 government and public safety agencies reside.

Area Transportation Authority, a community support organization in Johnsonburg, Elk County, connected to the network during the third quarter as well as the primary transmitter site of Penn State Public Broadcasting (WPSU) in Clearfield. Penn State Public Broadcasting is a PBS station providing educational and instructional programming to central Pennsylvania. We also connected a Pennsylvania Game Commission Office in Lycoming County and two State Park Offices (Cook Forest State Park and Cherry Springs State Park) in Cooksburg and Galeton respectively.

Network clean-up and a final "end to end" test of the system were successfully performed within the quarter. The completion of these tasks signify the network reaching operational status.

Our broadband services manager continued to work with the connected last mile service providers to determine and connect interested institutions within the project footprint and will continue to do so into the foreseeable future.

During the quarter, a total of 20 CAIs were added to the network. No additional requests were received for interconnection from Internet Service providers in the northern tier.

Through the BTOP grant, Pennsylvania's project was able to provide broadband services to state and local government agencies in remote locations enabling their employees to achieve increased productivity and improved reliability while the agencies realized significant cost savings. Various utilities and business as well as residents will also benefit through the local internet service providers that we connected to the network. Due to Public Utility Commission (PUC) regulations our project was prevented from connecting directly to residents or businesses. As a result, the relationships built with two Internet Service Providers (ISPs) proved to be invaluable. Through these ISPs, we reached four remote Marcellus Shale gas producing facilities allowing them to increase productivity and lower costs. We were able to provide services to a regional bus facility, public television station and a lodge/conference center that previously could only obtain broadband through a satellite connection. These facilities are all receiving improved reliability, increased capacity and lower cost for their broadband connection. The ISPs that connected to our network also are now capable of serving residential customers in seventeen communities within the northern tier as a result of our project. Multiple public safety agencies in Pennsylvania are also reaping the benefits of the increased availability of broadband in the northern tier of Pennsylvania. Four Pennsylvania State Police locations have been connected to the network as well as a public safety answering point within Sullivan County providing for increased reliability and capacity.

Pennsylvania's state and local officials have taken an interest in rural broadband and understand its importance as well as the relevance of the network that has been improved as part of the BTOP project.

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	The upgrade of the final two links of the microwave backbone was completed during the third quarter. Successful testing of the complete network was completed within September. Invoices for this work will be received early in the closeout period.
2b.	Environmental Assessment	100	This milestone is complete.
2c.	Network Design	100	This milestone is on schedule. Invoices for the final design of the switching network will be received early in the closeout period allowing this milestone to reach 100% of progress.
2d.	Rights of Way	0	N/A This milestone does not apply to our project.
2e.	Construction Permits and Other Approvals	0	N/A This milestone does not apply to our project.
2f.	Site Preparation	100	This milestone is complete.
2g.	Equipment Procurement	100	This milestone is on schedule. The remaining items are related to the connection of last mile service providers and community anchor institutions that were completed in September.
2h.	Network Build (all components - owned, leased, IRU, etc)	100	This milestone is complete.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2i.	Equipment Deployment	100	This milestone is on schedule. The remaining items are related to the connection of last mile service providers and community anchor institutions that were completed in September.
2j.	Network Testing	100	This milestone is on schedule. The remaining items are related to the connection of last mile service providers and community anchor institutions that were completed in September.
2k.	Customer Acquisition, Support and Billing	100	This milestone is complete.

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).

During the quarter our vendors encountered various delays in acquiring equipment, specifically access points, allowing for connection to rural Internet Service Providers (ISP's). Additionally the late summer time frame found the tower construction industry and their climbers in the busiest time of the year making the scheduling of work to install antennas difficult.

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	N/A for this project. There are no NEW network miles included in the project.
New network miles leased	0	N/A for this project.
Existing network miles upgraded	1,064	This key program indicator is complete.
Existing network miles leased	0	N/A for this project.
Number of miles of new fiber (aerial or underground)	0	N/A for this project.
Number of new wireless links	71	This key program indicator is complete.
Number of new towers	5	This key program indicator is complete.
Number of new and/or upgraded interconnection points	71	The project currently contains 69 upgraded nodes, each of which can be used as a point of interconnection. There are internet gateways to the network through two last mile service providers located at the western and middle portions of the network.

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	2
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	0
Average term of signed agreements (in quarters)	60

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:

We have signed agreements with two last mile service providers within the northern tier of Pennsylvania: KCNet of Lock Haven, Pennsylvania and North Central Regional Planning and Development Commission of Ridgway, Pennsylvania. One of the providers has signed a 10 year agreement while the other has signed a 20 year agreement.

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:

Our network offers Layer 2 MPLS Ethernet backhaul that is not distance dependent and does not incur a per-hop charge. Our two wholesale last mile providers (ISPs) will be allocated bandwidth as needed (best effort). If a retail customer requests data backhaul (no internet), we will sell to them directly at an average of \$50/Mbps. This generic MPLS Ethernet backhaul will be offered in different rate increments, and many different combinations of committed and best-effort Quality of Service. A pricing plan is attached.

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).

At this point, the Commonwealth has not designated a third party to manage all or a portion of the 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	We have not signed agreements with wholesalers or last mile providers who are receiving new access.
	Providers with signed agreements receiving improved access	2	We have connected to two last mile service providers. Each provider will be expanding their area of service through the use of our network.
	Providers with signed agreements receiving access to dark fiber	0	N/A. Dark fiber is not a part of the Commonwealth of Pennsylvania project.
	Please identify the speed tiers that are available and the number of subscribers for each	2	We have connected to two last mile internet service providers. We have allowed them to tell us what speeds they need instead of making them choose from what we chose to make available. At this point, we have provisioned 2 Mbps and 5 Mbps services.
Community Anchor Institutions (including Government institutions)	Total subscribers served	47	We have connected four Pennsylvania State Police (PSP) stations, 22 offices within Cameron County Courthouse, 14 offices within Sullivan County Courthouse, the Emergency Resource Communication Center (ERCC), the Area Transit Authority in McKean County as well as Elk County, a public TV station in Clearfield County, a Game Commission site in Lycoming County and two State Park Offices in Forest County and Potter County.
	Subscribers receiving new access	0	The CAIs that we connected to the network are not receiving new access.
	Subscribers receiving improved access	47	All of the CAIs that we have connected to the network are receiving improved access.
	Please identify the speed tiers that are available and the number of subscribers for each	3	Four of the community anchor institutions that have connected to the network are each capable of receiving 40 Mbps. Three of the CAIs are capable of receiving 10 Mbps services. The remaining CAIs are each capable of receiving 5 Mbps services.
Residential / Households	Entities passed	0	N/A. This middle mile infrastructure project does not and will not connect to any residence or households directly.
	Total subscribers served	0	N/A. This middle mile infrastructure project does not and will not connect to any residence or households directly.
	Subscribers receiving new access	0	N/A. This middle mile infrastructure project does not and will not connect to any residence or households directly.
	Subscribers receiving improved access	0	N/A. This middle mile infrastructure project does not and will not connect to any residence or households directly.
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A. This middle mile infrastructure project does not and will not connect to any residence or households directly.
Businesses	Entities passed	0	N/A. This middle mile infrastructure project does not and will not connect to any businesses directly.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Total subscribers served	0	N/A. This middle mile infrastructure project does not and will not connect to any businesses directly.
	Subscribers receiving new access	0	N/A. This middle mile infrastructure project does not and will not connect to any businesses directly.
	Subscribers receiving improved access	0	N/A. This middle mile infrastructure project does not and will not connect to any businesses directly.
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A. This middle mile infrastructure project does not and will not connect to any businesses directly.

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

Two agreements have been executed with each ISP because our actual relationship involves broadband service and physical access to a tower site. Each ISP has a Wireless Broadband Service Level Agreement and a Site License Agreement. Broadband Service specifies the revenue share, best-effort bandwidth, or 25% off of the total price for a 3-year term. The Site License specifies such items as compound access, snow removal and maintenance, equipment maintenance, space on the elevated platform for their equipment cabinet, etc.

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

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

Our network management practices have not changed. Additional information is publicly available on our website.

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
Sullivan County Accounting Office	Laporte	Government	no	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Sullivan County Area Agency on Aging	Laporte	Government	no	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Sullivan County Assessment Office	Laporte	Government	no	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Sullivan County Commissioners	Laporte	Government	no	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Sullivan County District Attorney	Laporte	Government	no	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Sullivan County District Justice	Laporte	Government	no	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Sullivan County Domestic Relations	Laporte	Government	no	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Sullivan County Office of Human Services	Laporte	Government	no	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Sullivan County Planning and CDBG Office	Laporte	Government	no	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Sullivan County Probation Office	Laporte	Public Safety	no	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Sullivan County Recorder of Deeds	Laporte	Government	no	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Sullivan County Sheriff's Office	Laporte	Public Safety	no	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.

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
Sullivan County Treasurer	Laporte	Government	no	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Sullivan County Tax Claim/Open Records	Laporte	Government	no	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Sullivan County Emergency Resource Communications Center (ERCC)	Laporte	Public Safety	no	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Area Transportation Authority	Johnsonburg	Community Support Organization	no	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Penn State Public Broadcasting	Clearfield	Education	no	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Quehanna District Office of PA Game Commission	Quehanna	Government	no	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Cook Forest State Park	Cooksburg	Government	no	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Cherry Springs State Park	Galeton	Government	no	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.

Project Indicators (Next Quarter)

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

Our project will have entered the closeout period. Nonetheless, our broadband services manager will continue to connect customers to the network in an effort to close the digital divide in northern Pennsylvania. The significant project accomplishments occurring within the period will be the receipt and payment of all remaining invoices.

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	This milestone is expected to be complete. Invoicing during the closeout period will bring this milestone category to 100% completion.
2b.	Environmental Assessment	100	This milestone is complete.
2c.	Network Design	100	This milestone is expected to be complete. Invoicing during the closeout period will bring this milestone category to 100% completion.
2d.	Rights of Way	0	N/A This milestone does not apply to our project.
2e.	Construction Permits and Other Approvals	0	N/A This milestone does not apply to our project.
2f.	Site Preparation	100	This milestone is complete.
2g.	Equipment Procurement	100	This milestone is expected to be complete. Invoicing during the closeout period will bring this milestone category to 100% completion.
2h.	Network Build (all components - owned, leased, IRU, etc.)	100	This milestone is complete.
2i.	Equipment Deployment	100	This milestone is expected to be complete. Invoicing during the closeout period will bring this milestone category to 100% completion.
2j.	Network Testing	100	This milestone is expected to be complete. Invoicing during the closeout period will bring this milestone category to 100% completion.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2k.	Other (please specify): Customer Acquisition, Support and Billing	100	This milestone is complete.

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).
No issues identified.

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	\$2,993,093	\$0	\$2,993,093	\$2,795,812	\$0	\$2,795,812	\$2,923,878	\$0	\$2,923,878
b. Land, structures, right-of-ways, appraisals, etc.	\$5,873,400	\$5,125,890	\$747,510	\$5,873,400	\$5,125,890	\$747,510	\$5,873,400	\$5,125,890	\$747,510
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$2,997,474	\$0	\$2,997,474	\$2,641,330	\$0	\$2,641,330	\$2,986,153	\$0	\$2,986,153
e. Other architectural and engineering fees	\$495,125	\$0	\$495,125	\$438,695	\$0	\$438,695	\$490,270	\$0	\$490,270
f. Project inspection fees	\$1,600,436	\$0	\$1,600,436	\$1,507,056	\$0	\$1,507,056	\$1,606,526	\$0	\$1,606,526
g. Site work	\$7,291,363	\$0	\$7,291,363	\$6,776,989	\$0	\$6,776,989	\$7,400,544	\$0	\$7,400,544
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$2,040,021	\$498,464	\$1,541,557	\$2,028,960	\$498,463	\$1,530,497	\$2,028,961	\$498,464	\$1,530,497
j. Equipment	\$12,689,105	\$1,571,649	\$11,117,456	\$11,634,984	\$1,332,516	\$10,302,468	\$12,670,285	\$1,571,649	\$11,098,636
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$35,980,017	\$7,196,003	\$28,784,014	\$33,697,226	\$6,956,869	\$26,740,357	\$35,980,017	\$7,196,003	\$28,784,014
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$35,980,017	\$7,196,003	\$28,784,014	\$33,697,226	\$6,956,869	\$26,740,357	\$35,980,017	\$7,196,003	\$28,784,014

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: \$1,567,257 b. Program Income to Date: \$0