OMB CONTROL NUMBER: 0660-0037
EXPIRATION DATE: 12/31/2013

ANNUAL 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** NT10BIX5570018	**3. DUNS Number** 014409657

4. Recipient Organization

Critical Hub Networks, Inc 1314 Ponce De Leon Ave.
Ste. 400, San Juan, PR 00907-4047

5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2011	**6. Is this the last Annual Report of the Award Period?** ◯ Yes ◉ 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 Karen Elizabeth Larson Vice President	**7c. Telephone (area code, number and extension)** 7877289000
	7d. Email Address kmarazzi@caribe.net
7b. Signature of Certifying Official Submitted Electronically	**7e. Date Report Submitted (MM/DD/YYYY):** 03-16-2012

OVERALL PROJECT PERFORMANCE INDICATORS

1. Please provide the following average cost figures for your project. Please review the instructions to determine how to calculate these figures. Write "0" in the second column and "N/A" in the third column if your project does not yet have this information. Depending on whether your project contains Middle Mile and/or Last Mile components, some metrics may not apply. Please provide a narrative description if the total is different from the target provided in your baseline plan (600 words or less).

Cost Indicator	Average Cost / Speed	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Average cost per new mile (Middle Mile)	7705.21	Total project expenditures as of 12/31/2011 were $30,058,030. Total miles completed as of 12/31/2011: 3901. Expenditures include costs for future mile deployment.
Average cost per household passed (Last Mile)	0	N/A
Average cost per subscriber (Last Mile)	0	N/A
Maximum broadband speed advertised (Middle Mile)	1Gbps	We offer transit speed up to 1Gbps for last mile providres.
Maximum broadband speed advertised (Last Mile)	0	N/A
Average broadband speed provided (Middle Mile)	258Mbps	As of 12/31/2011, there are 8 last mile providers interconnected.
Average broadband speed provided (Last Mile)	0	N/A

2. Please provide each facility name and type, the county where the facility is located, and census tract information for any facilities funded by your project during this annual reporting period. Report only facilities for which construction has been completed.

Facility Identifier / Name	Facility Type	County	Census Tracts
PR-NAP	Fiber (Submarine Cable)	Municipio de San Juan, PR	7212721
NAP of the Americas	Fiber (Submarine Cable)	Miami-Dade Country, Florida	1208637.02

Add Facility	Remove Facility

3. Please identify (1) the total number of interconnection, peering, and/or transit agreements entered into during this annual reporting period; (2) the total number of agreements of each type that you are currently negotiating; and (3) whether you have denied any request for interconnection and if so, why. If you have not entered into any agreements, please write "N/A."

Interconnection Agreements (600 words or less)

As of 12/31/2011, PRBI has signed interconnection agreements with twelve (12) last mile service providers. Eight (8) of those agreements have already established interconnection. The other four (4) pending networks are in the process of constructing/preparing their last mile to the PRBI interconnection site or are pending the completion of the terrestrial middle-mile network spans to their desired interconnection point. We are continuing to negotiate with eight (8) last mile providers. Due to competitive purposes, the names of the providers who have signed agreements will be released upon successful activation of interconnection. We have not denied any request for interconnection.

Peering and Transit Agreements (600 words or less)

N/A

CAPACITY, UTILIZATION, AND CAPABILITY INDICATORS

4. Community Anchor Institutions: In the chart below, please provide information on the types of community anchor institutions capable of receiving service (i.e., anchor institutions connected to your network plus those passed by your network) as a result of BTOP funds.

Type of Community Anchor Institution	Total Number Within Service Area	Type of Community Anchor Institution	Total Number Within Service Area
Schools (K-12)	1,473	Public Housing	0
Libraries	119	Other Institutions of Higher Education	32
Medical and Healthcare Providers	256	Other Community Support Organizations	0
Public Safety Entities	194	Other Government Facilities	0
Community Colleges	0	Total Community Anchor Institutions	2,074

5. Please indicate the average increase in broadband speed provided to the community anchor institution customers as a result of your project, including a description of how this increase was calculated (600 words or less).

The Puerto Rico Bridge Initiative project is a middle-mile project serving primarily last mile broadband providers. Projections for Community Anchor Institutions on our baseline were made based on data we received from broadband providers on how many each of their networks served. Critical Hub did not receive any funding for laterals or last mile connectivity to CAI's. In Q1 2012, interconnected providers will report on how many CAIs each of their networks serve and we will provide this data to the NTIA in our next quarterly reporting. Additionally, Critical Hub is working directly with the Dept of Education to provide local peering with 1,473 schools at their main facilities. Peering interconnection will be via a 1Gbps port.

6. What retail services are being provided by this project? Please describe below. (600 words or less). As an attachment to this report, please provide pricing plans (in $ per month) associated with each retail service. Retail services description:

The PRBI project does not provide retail services. PRBI provides middle-mile transit and peering services to broadband service providers. In addition, PRBI will also provide peering services to Critical Community Anchor Institutions and Government Agencies.

7a. What network management policies (e.g., bandwidth limitations, traffic prioritization) are in place for the services provided by your project? 7b. Have you ever limited or blocked consumers from accessing any lawful content, service, service provider, or application, or prevented any consumers from attaching any legal device to the network? If so, please explain why (300 words or less)?
7a. Critical Hub's network consists of, but is not limited to, channel banks, hubs, switches, routers, servers, Local Area Networks at the equipment locations, Wide Area Links connecting sites together consisting of the microwave & fiber optic equipment, and the network management tools provided by the equipment manufacturer. The specifics and details are available upon request and published at our webpage (www.criticalhub.com).

7b. Critical Hub Networks generally provides best effort forwarding of all IP traffic. Exceptions to best effort forwarding are limited to the following: (a) forwarding of traffic explicitly tagged as "less than best effort" by the end-user, offering a priority of traffic forwarding that is less than best effort to support researchers that choose a lower class of service when they transfer large data sets which are insensitive to loss or latency. (b) MPLS traffic engineering is sometimes used to differentially route "managed high-speed service" traffic from commercial peering or commodity traffic for the purpose of load balancing traffic among backbone resources. (c) measures to address distribution of harmful viruses or spam, denial of service attacks, and other harmful activities following customer notification of violations of our Acceptable Usage Policy.

8. If applicable, please provide the total number and the percentage of subscribers who have dropped the broadband service provided through this project (total number of households and/or businesses and the "churn rate") and the subscribers' reasons for discontinuing their service (600 words or less).
N/A

9. Please provide the following information regarding the number of fiber strand-miles:

Total Number of Strand-miles	Total Number of Active Fiber Strand-miles Used by Recipient	Total Number of Leased Fiber Strand-miles	Total Number of Dark Fiber Strand-miles	Total Number of Strand-miles Being Built		
				Active	Leased	Dark
15,604	0	15,604	0	0	0	0

10. If you wholesale dark fiber, please list your wholesale customers and the number of fiber miles you currently are leasing to those customers:
N/A

11. Please provide the following information regarding the facility collocation capacity:

Total Facility (total square feet for all facilities)	Number of Square Feet Used by Recipient	Number of Square Feet Leased	Number of Square Feet Available
8,000	150	4,602	2,131

12. If you do not own collocation space, please describe how and where other network providers and/or customers interconnect with your network (600 words or less).

N/A

13. To the extent that you have made any subcontracts or sub grants, please provide the number of subcontracts or sub grants that have been made to socially and economically disadvantaged small business (SDB) concerns as defined by section 8(a) of the Small Business Act, 15 U.S.C. 647, as modified by NTIA's adoption of an alternative small business size standard for use in BTOP. Please also provide the names of these SDB entities (150 words or less).

Critical Hub Networks, Inc. is itself a Socially and Economically Disadvantaged Small Business (SBD) concern. In addition, funds have been expended to the following SDB's: Computer Paradise, Fire Control Corporation, JAS Corporation, International Hardware, Than Inc.

14. Please describe any best practices/lessons learned that can be shared with other similar BTOP projects (900 words or less).

- Maintain, regularly review all award documents including NOFA, CD450, SAC, Budget, BTOP Recipient Master Checklist of Activities.
- Keep your Grant File up-to-date.
- Regular logins to PAM & GOL.
- Regular communication with NTIA & NOAA staff is essential to ensure that project stays on course and nobody has any surprises. And, if you have any doubts, always ask.
- Ensure all SAC requirements, including BAA, Davis Bacon, are properly included in procurement documents such as PO's, RFP/RFQ, and any contractor agreements.
- Start all required reporting early, and participate in drop-in calls to address questions. Often other recipients catch minor details that you may miss - its a great way to ensure that you are reporting correctly!
- Designate a compliance officer who is dedicated to ensuring project compliance, budgeting, and maintenance of contemporaneous records.
- Finding experienced, qualified staff can be a challenge. Hire early. Anticipate training requirements.

15. Using the Excel spreadsheet template titled "Annual PPR CCI Addendum", please provide an updated list of Community Anchor Institutions (CAIs) that you have connected and plan to connect to your network.

16. Using the Excel spreadsheet template titled "Annual PPR CCI Addendum", please provide a list of community pairs that are receiving new or improved broadband service as a result of BTOP grant funds.

17. Please provide up-to-date network route maps in a single file, in a Google Earth compatible format (e.g., KMZ file).