

**QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS**

**General Information**

<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b>  Department of Commerce, National Telecommunications and Information Administration	<b>2. Award Identification Number</b>  NT10BIX5570018	<b>3. DUNS Number</b>  014409657
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<b>4. Recipient Organization</b>  Critical Hub Networks, Inc 1314 Ponce De Leon Ave. Ste. 400, San Juan, PR 00907-4047
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<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  03-31-2013	<b>6. Is this the last Report of the Award Period?</b>  <input type="radio"/> Yes <input checked="" type="radio"/> No
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**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.

<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Karen Elizabeth Larson  Vice President	<b>7c. Telephone (area code, number and extension)</b>  7877289000
	<b>7d. Email Address</b>  kmarazzi@caribe.net

<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  05-23-2013
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**Project Indicators (This Quarter)**

**1. Please describe significant project accomplishments completed during this quarter (600 words or less).**  
 During the previous quarter, the PRBI project activities included: (a) Terrestrial Wireless Network Deployment: By the closing of this quarter we had deployed 207 Miles in our fixed wireless terrestrial network. Final testing underway. (b) Interconnection Agreements: Ongoing negotiations are in place with broadband providers, government agencies and other community anchor institutions on interconnection agreements. (c) Peering & Provisions: Continued negotiations of peering agreements with network & content providers in MIA-NAP. (d) Provisioning: Continuity of provisioning of interconnections with broadband providers. (e) Project Modification: Received approval for PRBI-TU segment. (f) PRBI-TU: Testing of existing fiber completed. Engineering design for interconnection points and fiber activation underway.

**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	99	Extension received in February 2013 to permit expansion of project to include PRBI-TU segment
2b.	Environmental Assessment	100	No variance
2c.	Network Design	100	Actual 102%, due to new design work on PRBI-TU segment
2d.	Rights of Way	100	No variance
2e.	Construction Permits and Other Approvals	0	NA
2f.	Site Preparation	100	No variance. We anticipate this will exceed 100% as well, as we will incur costs related to expanded PRBI-TU segment which was not included in original baseline.
2g.	Equipment Procurement	98	Variance due to expansion of project.
2h.	Network Build (all components - owned, leased, IRU, etc)	99	Variance due to expansion of project.
2i.	Equipment Deployment	78	Variance due to expansion of project.
2j.	Network Testing	79	Variance due to expansion of project.
2k.	Other (please specify):	0	NA

**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).**

In Q1-2013, Critical Hub received approval for a project modification for the PRBI-TU Segment. In order to facilitate our completion of this new segment, Critical Hub was also granted a project extension in Q1-2013. We anticipate project completion by September 2013.

**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	207	No variance
New network miles leased	3,901	No variance
Existing network miles upgraded	0	No variance
Existing network miles leased	0	No variance

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Number of miles of new fiber (aerial or underground)	0	No variance
Number of new wireless links	22	Additional links due to route change approvals
Number of new towers	21	Additional towers due to route change approvals
Number of new and/or upgraded interconnection points	23	Additional interconnection points due to route change approvals

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	17
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	8
Average term of signed agreements (in quarters)	12

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: Liberty Cablevision, Worldnet, Xecure, Aeronet, AWV, Big Dog, OSNet, AT&T, Puerto Rico Webmasters (PRW), Tropical Networks, Columbus Networks, CoquiTel, Nustream and Inteco have established interconnectivity. We have signed interconnection and are pending the last mile construction for Orizon Wireless, VPNet, and Yiga Corp. All interconnection agreements are with last mile service providers which are obtaining PRBI interconnectivity for use in offering their own broadband Internet services.

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:

PRBI provides middle-mile transit and peering services to broadband service providers. In addition, PRBI also provides peering services to Critical Community Anchor Institutions and Government Agencies. See attachment for confidential wholesale pricing.

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).

N/A

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	No variance
	Providers with signed agreements receiving improved access	17	Agreements signed with 17 providers - no variance from baseline. 14 network interconnections are currently active. Pending last mile and port activation by three remaining broadband providers which have signed interconnection agreements
	Providers with signed agreements receiving access to dark fiber	0	No variance
	Please identify the speed tiers that are available and the number of subscribers for each	17	Services are available from 100Mbps to 10Gbps

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
<b>Community Anchor Institutions (including Government institutions)</b>	<b>Total subscribers served</b>	1	Baseline calculations for CAI served included connectivity via interconnected last mile providers. Currently, there is one direct CAI connection to the Puerto Rico Department of Health - PRHIN.
	<b>Subscribers receiving new access</b>	0	No variance
	<b>Subscribers receiving improved access</b>	1	Baseline calculations for CAI served included CAIs served by interconnected last mile providers. Due to NTIA revised guidance, only direct-connect CAIs are now being reported. We request to revise the baseline to reflect this guidance.
	<b>Please identify the speed tiers that are available and the number or subscribers for each</b>	1	Services are available from 10Mbps to 1Gbps.
<b>Residential / Households</b>	<b>Entities passed</b>	0	N/A
	<b>Total subscribers served</b>	0	N/A
	<b>Subscribers receiving new access</b>	0	N/A
	<b>Subscribers receiving improved access</b>	0	N/A
	<b>Please identify the speed tiers that are available and the number of subscribers for each</b>	0	N/A
<b>Businesses</b>	<b>Entities passed</b>	0	N/A
	<b>Total subscribers served</b>	0	N/A
	<b>Subscribers receiving new access</b>	0	N/A
	<b>Subscribers receiving improved access</b>	0	N/A
	<b>Please identify the speed tiers that are available and the number of subscribers for each</b>	0	N/A

**7. Please describe any special offerings you may provide (600 words or less).**  
 PRBI offers peering services in Puerto Rico and Florida. These services allow for the local exchange of traffic between networks. Peering is available for community anchor institutions such as schools, libraries, health care providers and non-profit organizations, government organizations and broadband providers.

**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	NA	NA	NA	NA

**Project Indicators (Next Quarter)**

**1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).**  
 During the next quarter, we anticipate the following accomplishments: (a) Terrestrial Wireless Network Deployment: Completion of testing of fixed wireless terrestrial network. (b) Interconnection Agreements: Continuity of execution of interconnection agreements with broadband providers. Anticipate the execution of one (1) Interconnection Agreement with a broadband wholesaler/last mile provider during the quarter. (c) Network Interconnectivity: Continued negotiations of peering agreements with network & content providers in MIA-NAP. (d) Provisioning: Continuity of provisioning of interconnections with broadband providers, and with peered network & content providers at MIA-NAP. (e) CAI's and Community Outreach: Meeting with government agencies, broadband providers and other community leaders to implement plans to promote the expansion & adoption of broadband in the island, and to promote local peering. We do not anticipate activating any new CAIs during this quarter. (f) PRBI-TU: Completion of engineering design for interconnection points. Procurement of equipment for optical network activation. We do not anticipate the activation or completion of deployment of any miles on the PRBI-TU segment during this quarter, as we will be pending installation of optical network equipment.

**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	99	Extension received in February 2013 to permit expansion of project to include PRBI-TU segment
2b.	Environmental Assessment	100	NA
2c.	Network Design	100	Actual 104%, due to final design work of PRBI-TU segment
2d.	Rights of Way	100	No variance
2e.	Construction Permits and Other Approvals	0	NA
2f.	Site Preparation	100	We anticipate this will exceed 100% in next quarter, as we will incur costs related to expanded PRBI-TU segment which was not included in original baseline.
2g.	Equipment Procurement	99	Variance due to expansion of project.
2h.	Network Build (all components - owned, leased, IRU, etc.)	99	Variance due to expansion of project.
2i.	Equipment Deployment	89	Variance due to expansion of project.
2j.	Network Testing	85	Variance due to expansion of project.
2k.	Other (please specify):	0	NA

**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).**

(a) Weather. In the event that any adverse weather conditions impact Puerto Rico, the project's progress may be affected. (b) External Deliverables. If any external contractor/supplier incurs delays, impedes access, or does not fulfill their duties, it will impact our ability to complete the project on time. The new PRBI-TU segment depends on the operator of the Tren Urbano system providing us with access to TU's ROW. (c) Procurement Delays. Weather may impact the shipment of equipment to Puerto Rico. In the event that a vendor experiences delays or backorders on materials or equipment necessary for activation of the PRBI-TU segment, it will impact our ability to complete the project on time.

**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	\$462,500	\$0	\$462,500	\$406,159	\$0	\$406,159	\$427,274	\$0	\$427,274
b. Land, structures, right-of-ways, appraisals, etc.	\$27,151,000	\$5,840,000	\$21,311,000	\$27,246,000	\$5,840,000	\$21,406,000	\$27,246,000	\$5,840,000	\$21,406,000
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$1,331,091	\$0	\$1,331,091	\$837,879	\$0	\$837,879	\$899,548	\$0	\$899,548
e. Other architectural and engineering fees	\$4,500	\$0	\$4,500	\$4,500	\$0	\$4,500	\$4,500	\$0	\$4,500
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$538,370	\$0	\$538,370	\$505,327	\$0	\$505,327	\$508,327	\$0	\$508,327
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$622,031	\$0	\$622,031	\$835,102	\$0	\$835,102	\$884,108	\$0	\$884,108
j. Equipment	\$2,149,732	\$760,950	\$1,388,782	\$2,157,430	\$764,504	\$1,392,926	\$2,184,706	\$764,504	\$1,420,202
k. Miscellaneous	\$29,571	\$5,475	\$24,096	\$56,371	\$0	\$56,371	\$58,721	\$1,921	\$56,800
<b>l. SUBTOTAL (add a through k)</b>	\$32,288,795	\$6,606,425	\$25,682,370	\$32,048,768	\$6,604,504	\$25,444,264	\$32,213,184	\$6,606,425	\$25,606,759
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>n. TOTALS (sum of l and m)</b>	\$32,288,795	\$6,606,425	\$25,682,370	\$32,048,768	\$6,604,504	\$25,444,264	\$32,213,184	\$6,606,425	\$25,606,759

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: \$600,258
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