

RECIPIENT NAME:Iniciativa Tecnologica Centro Oriental (INTECO)

AWARD NUMBER: NT10BIX5570033

DATE: 01/16/2014

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 6/30/2015

## ANNUAL 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> NT10BIX5570033	<b>3. DUNS Number</b> 141249024
<b>4. Recipient Organization</b>  Iniciativa Tecnologica Centro Oriental (INTECO) Turabo University St.189 KM3.3, Gurabo, PR 00778-3030		
<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  12-31-2013	<b>6. Is this the last Annual Report of the Award Period?</b>  <input checked="" type="radio"/> Yes <input type="radio"/> No	
<b>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>		
<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Francisco Garcia  Vice President of Operations	<b>7c. Telephone (area code, number and extension)</b>  7876535170	
	<b>7d. Email Address</b>  fgarcia@intecopr.com	
<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  01-16-2014	

**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)	84,843	This considers linear miles of a microwave network.
Average cost per household passed (Last Mile)	N/A	N/A. Project is classified as middle mile.
Average cost per subscriber (Last Mile)	N/A	N/A. Project is classified as middle mile.
Maximum broadband speed advertised (Middle Mile)	300 mbps	N/A.
Maximum broadband speed advertised (Last Mile)	9 mbps	N/A.
Average broadband speed provided (Middle Mile)	7.6 mbps	N/A.
Average broadband speed provided (Last Mile)	5.6 mbps	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
Cayey 21	Telecommunications Tower	Cayey	N/A.
San Lor 20	Telecommunications Tower	San Lorenzo	N/A.
Nag 13	Telecommunications Tower	Naguabo	N/A.
Jun 09	Telecommunications Tower	Juncos	N/A.
Cag 5	Telecommunication Rooftop	Caguas	N/A.
Nag 12	Telecommunication Rooftop	Naguabo	N/A.
San Lor 18	Telecommunication Rooftop	San Lorenzo	N/A.
Hum 15	Telecommunication Rooftop	Humacao	N/A.

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)**

We have two (2) interconnection/transit agreements. INTECO has entered into an interconnection agreement with Critical Hub Networks and Ednet. We have not denied any request for interconnection.

**Peering and Transit Agreements (600 words or less)**

Under the interconnection agreement with Critical Hub Networks, INTECO's network is also peered with the Puerto Rico Bridge Initiative's Internet Exchange Point (IXP) for local IP traffic exchange.

**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)	180	Public Housing	13
Libraries	10	Other Institutions of Higher Education	12
Medical and Healthcare Providers	26	Other Community Support Organizations	14
Public Safety Entities	10	Other Government Facilities	40
Community Colleges	25	Total Community Anchor Institutions	330

**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).**

4 mbps. Most institutions had a DLS Service ad now will provided by Broadband Service.

**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:**

Retail services to be provided is internet connectivity. (DIA, Direct Internet Access). Point to Point and Point to Multipoint Mesh services will be provided.

**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)?**

Network Management Policies are being structured to comply with SLA (Service Level Agreement) standard to the Puerto Rico Market. They were implemented as of the end of the award date 07/31/2013.

**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).**

1 subscriber - 1%

**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
0	0	0	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:**

Project is microwave tower based not fiber based.

**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
5,800	1,600	0	4,200

**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).**

We have not made any subcontracts with entities with section 8a Small Business Act definition (SDB-Small Disadvantage Business).

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

a) Lessons learned. The INTECO project is a tower based microwave project, which needs to develop the towers in the network to be able to service the region and the CAI's.

The network is designed with four loops or quadrants to provide redundancy and improve service levels to customers. To assure that we met the 67% objective in the first two years, we developed a strategy that prioritized the activities by focusing on completing two initial loops of the network. In these two quadrants the majority of the towers already existed (14 of the 16 existing towers in the network). We prioritized the preparation and construction in these two quadrants, will installed equipment in these towers and had complete the construction of the command center (NOC) in the first two years of the project. The initial two quadrants of the network have 14 existing towers, 3 new towers and the command center (CO). The site preparation for these 18 sites and all the equipment for all sites and the command center has been completed. This assured substantial completion of expenditures for the project within the two year requirement. We also constructed in these two initial quadrants, three of the eight new towers in the network. By developing the quadrant strategy and prioritizing the site preparation and tower construction, INTECO was able to complete the project within time frame required.

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b) Lessons learned. Collection of information on regional public school broadband use

There was no centralized information in the region on what internet capabilities and how broadband was being used in the public school system. We developed a short survey and are conducting on site interviews to develop an information database on the state of the use of broadband in the region. We understand that this will do the following; (1) create a baseline for comparison when the project is implemented, (2) Pinpoint resources in the school system to foment the use of broadband resources, (3) Provide an overall inventory of how the public schools in the rural community are currently using the internet, (4) Create a contact sheet for which the people involved with Broadband in the school system in the region can connect with each other, and (5) establish schools which can be highlighted as innovative school implementing broadband programs in an objective form. As part of this survey we discovered the State Government Educational System has a procurement policy on a State-Wide basis, which eliminates regional possibility of participation.

c) This type of project in Broadband Microwave infrastructure is driven by three major areas of investment that covers; Telecom Equipment, Construction of Towers & Sites and Site preparation for Towers. These three elements are over 85% of the total cost of the project. They are spent in certain peak periods of time as the equipment and sites are delivered, verified and accepted. The baseline report which we initially submitted did not consider this method. The original baseline was along the planning of activities, not cash flow paid to suppliers. In other words a lot of planning and preliminary work is needed to deliver the ability to install equipment and finish sites. Our project uses existing towers (which require preparation) and new towers being constructed. Elements such as permits, design, contacting, proposal evaluation, negotiation, lead times for equipment, lead times for construction and installation occur prior to payments to suppliers and draw downs. The method for the original baseline analysis did not reflect the time and effort it took for the project management of a complex project as well as the timing of payment to key suppliers. Adjustments were made to complete the project on time.

We have complied with the SAC goal of more than 67% completion of the project, as measured in money drawdown's , within the initial two year time span of the project and achieved 100% completion of the project on time.

**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).**