

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 NT10BIX5570033	3. DUNS Number 141249024
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4. Recipient Organization Iniciativa Tecnologica Centro Oriental (INTECO) Turabo University St.189 KM3.3, Gurabo, PR 00778-3030

5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2011	6. Is this the last Report of the Award Period? <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.

7a. Typed or Printed Name and Title of Certifying Official Oscar Jimenez-Martir	7c. Telephone (area code, number and extension) 7879612001
	7d. Email Address ojimenez@intecopr.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 02-16-2012
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Project Indicators (This Quarter)

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

a) Special Award Conditions (SAC) accomplishments.

- [i] Issuance, submittal, revision and approval of BTOP Third Quarter 2011 Performance Progress Report.
- [ii] Issuance submittal and approval of the Federal Transaction Report (SF 425) for Third Quarter 2011.
- [iii] Issuance, submittal and approval of ARRA Progress Report for Third Quarter 2011.

b) Overall Project Accomplishments.

- Presented project launch dates for two initial quadrants in regional meeting with numerous regional and state officials in attendance, the project launch received numerous newspaper and internet news references. By developing a quadrant strategy and prioritizing the tower preparation and construction, INTECO has established an objective of activating the network and the operations in two of the largest quadrants in the region by late summer of 2012, ahead of the Grant schedule. We will initiate connection for CAI's in the third quarter of 2012 in the quadrants which are activated. We have obtained interconnection agreements with a wholesale provider in the 4th quarter of 2011.
- The project has continued full bore with numerous Request for Proposals being executed and site work completed as well as telecommunications equipment starting to be received.
- The site engineer completed on-site inspections for installations on existing towers. Work was completed for site preparation on 10 existing tower sites for Request for Proposal #2. Initiated receiving of equipment of Request for Proposal #3, "Telecommunication Equipment" and completed installation of telecommunication enclosures in 10 existing sites. Implemented system for inventory asset control and equipment tag identification for proper asset control for all equipment in diverse stages of being received staged and installed.
- We reviewed proposals from Request for Proposal 4, in depth, for equipment being proposed for Command Center and Network Management. Completed evaluation, selection and negotiation of contract with selected vendor for Request for Proposal #4; "Acquisition and Implementation of the Central Office Equipment for INTECOs Broadband Network". This Request for Proposal covers all central office gear, servers, routers, switches, firewall, security, network operations management, HUAC, UPS, etc
- Continued work on development of permits submission for three additional new tower sites. We have authorized construction permits for four new towers which already approved and are now requesting build proposals through Request for Proposal #5 "Site Preparation and Construction of Telecommunication Structures". This Request for Proposal was published, meetings held, site visits coordinated and questions answered in the quarter. Proposals for this Request for Proposal 5# will be received in the first weeks of next quarter.
- A total of 142.46 Full Time Equivalent (FTE) jobs were created and retained. Description of the FTE jobs includes: Managers and Administrators (5.86); Warehousing-Inventories Specialist (0.27); Construction (15.10); Architectural and Engineering (0.79); Advertisement and Publications Specialist (0.14); Sales of Telecommunication Equipment (119.50); Appraisers (0.01); Insurance Agents (0.61); Travel Agents (0.18).

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	35	Initial delay due to Time to complete network design update and Environmental Assessment. Currently various Request for Proposals, process in full cycle with the latest Request for Proposal #5; Tower Construction, in process.
2b.	Environmental Assessment	93	Received FONSI approval (Finding of No Significant Impact) received on 23, 2010.
2c.	Network Design	100	Network redesign update completed.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2d.	Rights of Way	30	Initial delay due to completing network redesign update and Environmental Assessment process. Completed lease contracts for total 13 existing tower sites. Completed land lease contracts for 6 sites.
2e.	Construction Permits and Other Approvals	56	Delay in completing network redesign update and Environmental Assessment process. Submission of permits, included soil studies, terrain elevation and foundation design, to the responsible Puerto Rican permits agency for three additional sites, we already have authorization granted for the construction of four new telecommunications towers to be used by the network in underserved areas. We initially underestimated the time it would take to construct new towers and the time to process the Request for Proposals for construction permits.
2f.	Site Preparation	12	Delay in completing network redesign update and Environmental Assessment process. Completed Site Preparation & Construction on 10 existing tower sites. Request for Proposal #5 completed, published for three tower construction projects.
2g.	Equipment Procurement	33	Delay in completing network redesign update and Environmental Assessment process. The vendor for Request for Proposal #3; Telecommunications Equipment, initiated equipment purchase and transfer to island. The staging of the microwave radios for integration and acceptance testing was delayed until early next quarter. We developed system to provide inventory asset control and equipment tag identification for proper asset control for all equipment in diverse stages of being received, staged and implemented. Completed evaluation and awarded, Request for Proposal #4; Acquisition and Implementation of the NOC Equipment for INTECO'S Broadband Network.
2h.	Network Build (all components - owned, leased, IRU, etc)	33	Delay in completing network redesign update and Environmental Assessment process. The vendor for Request for Proposal #3; Telecommunications Equipment, initiated equipment purchase and transfer to island. The staging of the microwave radios for integration and acceptance testing was delayed until early next quarter. Completed evaluation and awarded, Request for Proposal #4; Acquisition and Implementation of the NOC Equipment for INTECO's Broadband Network.
2i.	Equipment Deployment	33	Delay in completing network redesign update and Environmental Assessment process. The vendor for Request for Proposal #3, Telecommunications Equipment, initiated equipment purchase and transfer to island. The staging of the microwave radios for integration and acceptance testing was delayed until early next quarter.
2j.	Network Testing	33	Delay in completing network design update and Environmental Assessment process. The vendor for Request for Proposal #3 Telecommunications Equipment, initiated equipment purchase and transfer to island. The staging of the microwave radios for integration and acceptance testing was delayed until early next quarter.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2k.	Other (please specify): Administrative Project Management	56	We have completed 4 of 5 major Request for Proposals. Request for Proposals which required a lot of time for preparation and execution. A strategy of quadrant priorities was implemented which will ensure we meet the expenditures guidelines.

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).

By developing a quadrant strategy and prioritizing the tower preparation and construction, INTECO has established an objective of activating the network and the operations in two of the largest quadrants in the region by late summer of 2012, ahead of the Grant schedule.

(a) The original baseline was prepared based on the planning and execution of activities, not based upon measurement of cash disbursement, which uses cash spent versus project total cash as the project progress measurement method. A number of planning elements such as permits, design, contacting, proposal evaluation, negotiation, lead times for equipment, lead times for construction and installation take a lot preliminary work /time and do not require a large amounts of cash disbursement. Therefore the progress made in the project, measured with the cash disbursement method is not recognized. We are taking steps to meet both planning activities and cash disbursement requirements in order to comply with the SAC goal of more than 67% completion of the project in two years, as measured in money drawdown's and 100% completion in the three years of the project. We have developed a quadrant strategy, dividing our network of 24 sites into four quadrants. We are assigning priorities to two quadrants where we will initialize the installation of equipment and eventually initiate operations in these areas first. The initial two quadrants have 14 existing towers, 3 new towers and the command center. The site preparation and construction for 16 sites and all the equipment for all sites will be completed by March 2012, which will assure substantial completion of expenditures for the project within the initial two year requirement. Our current Project planning is updated and we have confidence in meeting the 67% expenditure target in two years and 100% in three years.

(b) We have been heavily involved in completing various Request for Proposals. We started with the longest lead time elements and a fast track strategy of implementation based upon a quadrant strategy which will ensure the execution of the project within the guidelines of NTIA.

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	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	Wireless microwave project is in construction stage. We have a target of initiating two major quadrants in summer of 2012.

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Number of new towers	14	Additional existing tower lease contract completed. Wireless microwave project is in construction stage. We have a target of initiating two major quadrants in summer of 2012.
Number of new and/or upgraded interconnection points	1	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 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	1
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	1
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:

WorldNet

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:

No wholesale services are currently being offered via the BTOP network at this stage. The BTOP Wireless microwave project is in construction stage. We have a target of initiating two major quadrants in summer of 2012.

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 this third party operates (600 words or less).

No designated third party.

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	Variance from baseline of 1.
	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.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance from baseline. For all future providers dedicated internet access at 2/1 mbps symmetrical, 6/2 mbps and 9/3 mbps.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	No anchor institution are connected to network. Wireless microwave network is in construction stage. We have a target of initiating two major quadrants in summer of 2012. We anticipate CAI's connections will initiate in the third quarter (Q3) of 2012.
	Subscribers receiving new access	0	No anchor institution are connected to network. Wireless microwave network is in construction stage. We have a target of initiating two major quadrants in summer of 2012. We anticipate CAI's connections will initiate in the third quarter (Q3) of 2012.
	Subscribers receiving improved access	0	No anchor institution are connected to network. Wireless microwave network is in construction stage. We have a target of initiating two major quadrants in summer of 2012. We anticipate CAI's connections will initiate in the third quarter (Q3) of 2012.
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance from baseline. For all future subscribers dedicated internet access at 2/1 mbps symmetrical, 6/2 mbps and 9/3 mbps. Dedicated Internet Access and Metro E will be available to all.
Residential / Households	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Businesses	Entities passed	0	Wireless microwave network is in construction stage. We have a target of initiating two major quadrants in summer of 2012. We anticipate business connections will initiate in the third quarter (Q3) of 2012.
	Total subscribers served	0	No subscribers are connected to network. Network is in Construction Stage. We anticipate subscribers connections will initiate in the third quarter (Q3) of 2012.
	Subscribers receiving new access	0	No subscribers are connected to network. Network is in Construction Stage. We anticipate subscribers receiving new access will initiate in the third quarter (Q3) of 2012.
	Subscribers receiving improved access	0	No subscribers are connected to network. Network is in Construction Stage. We anticipate subscribers connections will initiate in the third quarter (Q3) of 2012.
	Please identify the speed tiers that are available and the number of subscribers for each	0	For all future subscribers; 2/1 mbps, 6/2 mbps and 9/3 mbps dedicated internet access and Metro E. Wireless microwave network is in construction stage. We have a target of initiating two major quadrants in summer of 2012. We anticipate subscriber connections will initiate in the third quarter (Q3) of 2012.

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

Not applicable at this stage; construction stage.

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

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

Not applicable at this stage, construction 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. 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	Central East Region of Puerto Rico	NONE	N/A	No anchor institution are connected to network. Network is in construction stage. We will not have any CAI's connected during Q4, we anticipate CAI's connections will initiate in the third quarter (Q3) of 2012.

Project Indicators (Next Quarter)

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

MILESTONE #1 OVERALL PROJECT

Activities Q1-2012

1. The project is proceeding as expected in major milestones and critical events. All major RFP have been completed and are in process. All major elements of equipment has been contracted and most will be received and installed in this next quarter. All site preparation in existing sites will be completed and initiation of tower construction in three sites will occur. The NOC construction will be completed and most critical equipment will be installed.

MILESTONE #4 RIGHTS OF WAYS

Activities Q1-2012

1. Lease agreements for 16 existing towers to be completed.
2. Land lease agreements for 7 new towers site to be completed.
3. Command Center (NOC) of the network and its data center will be completed.

MILESTONE #5 CONSTRUCTION PERMITS AND OTHER APPROVALS

Activities Q1-2012

1. Three additional sites permits to be approved.

MILESTONE #6 SITE PREPARATION

Activities Q1-2012

1. Ten sites have been completed, five more sites will be completed in this quarter. The Request for Proposal for three new tower construction will be evaluated, awarded, contract completed and construction of foundation initiated.

MILESTONE #7 EQUIPMENT PROCUREMENT

Activities Q1-2012

1. Equipment installed in Data Center (NOC).
2. We will receive 90% or more of all equipment for Request for Proposal #3; Telecommunications Equipment. Implemented system to provide inventory asset control and equipment tag identification for proper asset control for all equipment in diverse stages of being received, staged and implemented.

MILESTONE #8 NETWORK BUILD AND EQUIPMENT DEPLOYMENT

Activities Q1-2012

1. Generator installation in Command Center.
2. Complete installation of 15 existing towers sites.
3. Three new towers to have foundation constructed in Q1-2012.
4. We will receive 90% or more of all equipment for Request for Proposal #3 (Telecommunications Equipment).
5. NOC equipment will be received and installed in command center.

INFRASTRUCTURE KEY INDICATOR #1 - NEW NETWORK MILES DEPLOYED

Activities Q1-2012

1. We are a tower based, microwave project which needs to be activated by quadrants so we have zero (0) network miles deployed as we are in the construction phase of the project.

INFRASTRUCTURE KEY INDICATOR #3 - NUMBER OF MILES OF FIBER (AERIAL OR UNDERGROUND)

Activities Q1-2012

1. We are a tower based, microwave project which needs to be activated by quadrants so we have zero (0) network miles deployed as we are in the construction phase of the project.

INFRASTRUCTURE KEY INDICATOR #4 - NUMBER OF WIRELESS LINKS

Activities Q1-2012

1. We are a tower based, microwave project which needs to be activated by quadrants so we have zero (0) network miles deployed as we are in the construction phase of the project.

INFRASTRUCTURE KEY INDICATOR #5 - NUMBER OF TOWERS (WHEN ERECTED/LEASE)

Activities Q1-2012

1. Lease agreements for 16 existing towers to be completed.
2. Three new towers under construction

INFRASTRUCTURE KEY INDICATOR #6 - NUMBER OF INTERCONNECTIONS POINTS

Activities Q1-2012

1. We have one signed interconnection agreement.

INFRASTRUCTURE KEY INDICATOR #7 - NUMBER OF SIGNED AGREEMENTS WITH BROADBAND WHOLESALE PROVIDERS

Activities Q1-2012

1. We will add an additional (one) signed agreement with a wholesale provider in Q1-2012.

INFRASTRUCTURE KEY INDICATOR #9 - FEDERAL GRANT EXPENDITURES

Activities Q1-2012

1. Expected Federal Grant expenditures in the 1st quarter will be \$4,420,000.00

INFRASTRUCTURE KEY INDICATOR #10A - TOTAL CAI SUBSCRIBERS SERVED (CAIs CONNECTED)

Activities Q1-2012

1. We are a tower based, microwave project which needs to be activated by quadrants, we are in the construction phase of the project so we have zero (0) CAI's which we will connect in Q1-2012 . We expect CAI subscribers in the Q3-2012 when we start activating the network in the Caguas/Cayey/Gurabo quadrant.

INFRASTRUCTURE KEY INDICATOR #11 - EXISTING NETWORK MILES UPGRADED

Activities Q1-2012

1. We are a tower based, microwave project which needs to be activated by quadrants so we have no existing miles upgraded as we are in the construction phase of the project.

INFRASTRUCTURE KEY INDICATOR #12 - EXISTING NETWORK MILES LEASED

Activities Q1-2012

1. We are a tower based, microwave project which needs to be activated by quadrants so we have zero (0) network miles leased as we are in the construction phase of the project.

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	70	Initial delay due to Time to complete network design update and Environmental Assessment. Currently Request for Proposals, process in full cycle with the fifth Request for Proposal, New Tower Construction, in process.
2b.	Environmental Assessment	100	Received FONSI approval (Finding of No Significant Impact) received on Nov 23, 2010
2c.	Network Design	100	Network redesign update completed.
2d.	Rights of Way	66	Initial delay due to completing network redesign update and Environmental Assessment process. Will be completing lease contracts for three additional existing tower sites. Lease payments are meeting approved waiver for matching funds.
2e.	Construction Permits and Other Approvals	89	Delay in completing network redesign update and Environmental Assessment process. Complete three additional submission of permits, included soil studies, terrain elevation and foundation design, to the responsible Puerto Rican permits agency for the construction of three new telecommunications towers to be used by the network in underserved areas. We initially underestimated the time it would take to construct new towers and the time to process the Request for Proposals for construction permits.
2f.	Site Preparation	26	Delay in completing network redesign update and Environmental Assessment process. Complete Request for Proposal;Site Preparation, for existing sites, with a total of fifteen sites expected to be completed in this quarter. Request for Proposal for new tower construction to be issued for towers with approved permits.
2g.	Equipment Procurement	77	Delay in completing network redesign update and Environmental Assessment process. We will receive 90% or more of all equipment for Request for Proposal #3; Telecommunications Equipment. Request for Proposal #4; Acquisition and Implementation of the Central Office Equipment for INTECO's Broadband Network, all equipment to be received and installed to begin acceptance testing and integration testing.
2h.	Network Build (all components - owned, leased, IRU, etc.)	77	Delay in completing network redesign update and Environmental Assessment process. We will receive 90% or more of all equipment for Request for Proposal #3 (Telecommunications Equipment). Request for Proposal #4; Acquisition and Implementation of the Central Office Equipment for INTECO's Broadband Network, all equipment to be received and installed to begin acceptance testing and integration testing.
2i.	Equipment Deployment	77	Delay in completing network redesign update and Environmental Assessment process. We will receive 90% or more of all equipment for Request for Proposal #3; Telecommunications Equipment. Request for Proposal #4; Acquisition and Implementation of the Central Office Equipment for INTECO's Broadband Network, all equipment to be received and installed to begin acceptance testing and integration testing.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2j.	Network Testing	77	Delay in completing network redesign update and Environmental Assessment process. Request for Proposal #4; Acquisition and Implementation of the Central Office Equipment for INTECO's Broadband Network, all equipment to be received and installed to begin acceptance testing and integration testing.
2k.	Other (please specify): Management and Administration	70	We will complete our 5th major Request for Proposals which have required a lot of time for preparation and execution. All major proposals for acquisition of telecommunications equipment and network equipment will be completed and installation initiated with most equipment installed. A strategy of quadrant priorities was implemented which will ensure we meet the expenditures guidelines. We have targeted the summer of 2012 to initiate the two major quadrants in the network.

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).

1. Strategy to catch up and meet substantial completion on project.

(a) We have developed a quadrant strategy, dividing out network of 23 towers and the command center into four quadrants. We are assigning priorities to two quadrants where we will initialize the installation of equipment and eventually initiate operations in these areas first. The initial two quadrants have 14 existing towers, 3 new towers and the command center. The site preparation for 16 of these sites and the equipment for all sites will be completed by March 2012, which will assure substantial completion of expenditures for the project within the initial two year requirement.

(b) We have updated our project management tasks and the activities with latest information and experiences. Activities are being reviewed to integrate steps and assure the completion of the acquisition and installation of the equipment and the network.

2. The original baseline was prepared based on the planning and execution of activities, not based upon measurement of cash disbursement, which uses cash spent versus project total cash as the project progress measurement method. A number of planning elements such as permits, design, contacting, proposal evaluation, negotiation, lead times for equipment, lead times for construction and installation take a lot preliminary work /time and do not require a large amounts of cash disbursement. Therefore the progress made in the project, measured with the cash disbursement method is not recognized. Also initiation of procurement activities were not started until Environmental Assessment was approved in compliance with special award requirement. As the project is now completing contract processes and equipment is being received and installed the cash disbursements have started moving very quickly. We are confident of meeting both planning activities and cash disbursement requirements in order to comply with the SAC goal of more than 67% completion of the project, as measured in money draw down's, within the initial two year time span of the project and 100% completion in the three years of the project.

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	\$1,662,000	\$400,000	\$1,262,000	\$1,066,991	\$92,062	\$974,929	\$1,236,991	\$132,062	\$1,104,929
b. Land, structures, right-of-ways, appraisals, etc.	\$4,405,650	\$3,012,500	\$1,393,150	\$1,036,567	\$887,443	\$149,124	\$2,161,568	\$1,927,443	\$234,124
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$178,000	\$0	\$178,000	\$151,875	\$0	\$151,875	\$172,875	\$0	\$172,875
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	\$185,566	\$0	\$185,566	\$869,566	\$0	\$869,566
j. Equipment	\$7,429,453	\$0	\$7,429,453	\$3,077,422	\$0	\$3,077,422	\$6,611,422	\$0	\$6,611,422
k. Miscellaneous	\$630,175	\$0	\$630,175	\$187,438	\$0	\$187,438	\$453,438	\$0	\$453,438
l. SUBTOTAL (add a through k)	\$16,343,674	\$3,412,500	\$12,931,174	\$5,705,859	\$979,505	\$4,726,354	\$11,505,860	\$2,059,505	\$9,446,354
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	\$5,705,859	\$979,505	\$4,726,354	\$11,505,860	\$2,059,505	\$9,446,354

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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