

**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>  NT10BIX5570102	<b>3. DUNS Number</b>  122452563
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**4. Recipient Organization**

University of Arkansas System 4301 W. Markham St, ST63, Little Rock, AR 72205-7101

<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  06-30-2011	<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>  Suzanne Alstadt	<b>7c. Telephone (area code, number and extension)</b>  X
	<b>7d. Email Address</b>  sealstadt@uams.edu

<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  07-28-2011
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**Project Indicators (This Quarter)**

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

The University of Arkansas System project will integrate isolated community anchor networks to expand the broadband capabilities and geographic reach of the Arkansas Telehealth Oversight & Management (ATOM) Network-a group of community anchor institutions with limited bandwidth and equipment that offer healthcare, higher education, public safety, and research services-and the Arkansas Research & Education Optical Network (ARE-ON), the state's only public-owned fiber optic network currently serving four-year universities. This project will permit high-speed delivery and transmission of the following broadband benefits at the 474 "integrated network" sites.

In Year 1 Quarter 4, the following activities were undertaken or accomplished to meet the mission described above:

**Overall Project**

- Completed the Environmental Assessment (EA) and received a Finding of No Significant Impact (FONSI), which enables the project to begin its implementation phase in Year 2 Quarter 1.

**ATOM Network**

- Completed Phases I and II Network Design documents enabling the ATOM Network to begin project implementation.
- Obtained concurrence letters from local universities approving placement of fiber huts on college campuses.
- Released three Request for Proposals (RFP) to the University of Arkansas for Medical Sciences (UAMS) Procurement Office: 1) Interactive Video Equipment for Community Anchor institutions (CAIs) RFP, 2) Home Care Association Equipment RFP, 3), and Infrastructure Management Equipment RFP.
- Launched the initial outreach effort to participating Community Anchor Institutions (CAIs) to coordinate project implementation. Materials available to CAIs include a slide show, fact sheet, and a BTOP Introduction Packet that includes a Memorandum of Agreement (MOA) for broadband circuits and equipment (Interactive Video Equipment, Public Access Computers, etc.), the type equipment that is scheduled for deployment, training opportunities, and contact information.

**ARE-ON**

ARE-ON completed a number of tasks associated with the first four fiber routes (Little Rock West, Little Rock Central, Pine Bluff, and Morrilton) and the first four hut sites (Malvern, Hope, Morrilton, and Pine Bluff). These activities included:

- Completed engineering on Outside Plant (OSP) package one and issued bid package for the first four fiber routes.
- Completed engineering on and issued bid package for the first four hut sites.
- Issued RFPs and selected vendors for inner-duct, fiber cable, generators, and huts.
- Purchased data cabinets for Pulaski Technical College and Little Rock Center fiber routes.
- Secured several easement acquisitions from land-owners and businesses for fiber cable installation.

The sum of these activities are among the final steps needed to complete the planning period of the grant, allowing the University of Arkansas System to prepare the personnel, information, and resources necessary to effectively implement the proposed project. At the end of the three-year grant period, all 474 sites will function on an "integrated network" fusing ATOM and ARE-ON sites, benefiting from the following BTOP deliverables:

- Substantial bandwidth upgrades
- Significant network expansion
- Interactive video equipment additions
- Public computer additions

Fully available after grant funding ends, these deliverables will provide the tools needed to enable participation in activities that once were only limitedly available in Arkansas.

**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	2	This section of the Performance Progress Report compares actual expenditures to the Year 1 Quarter 4 figures on the revised baseline submitted to the project's Federal Program Officer on May 24, 2011. The revised Baseline Report assumed Indefeasible Rights of Use fiber agreements would have been in place by the close of this quarter; however, a delay in finalizing these negotiations and the associated,

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			proportional match contribution have resulted in variance from the revised baseline.
2b.	Environmental Assessment	64	The revised Baseline Report assumed that UAMS would continue employing the services of the Environmental Assessment (EA) contractor over the course of the grant to accommodate any environmental concerns that may arise during the implementation phase. The revised Baseline Report assumed these expenses may be paid more rapidly than currently planned. As such, the project will continue to incur EA expenses throughout the remainder of the project with 100% completion of the Environmental Assessment milestone at the end of the grant period.
2c.	Network Design	98	The revised Baseline Report correctly assumed that UAMS would pay the remaining network design fees in this quarter. Although these fees have been paid in full, the invoice total cost was slightly less than projected in the revised Baseline Report, resulting in a 2% discrepancy.
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	3	The revised Baseline Report assumed that in second quarter of 2011 construction permits would be obtained; however, there have been unforeseen processing delays in obtaining railroad crossing permits. The related funds are expected to be expended in the upcoming quarter.
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	0	---
2h.	Network Build (all components - owned, leased, IRU, etc)	1	The revised Baseline Report assumed IRUs would have been in place by the end of the fourth quarter of 2010, but those negotiations are still ongoing. Progress has been made in that one agreement has been signed and three are pending. There exists one conflict protest that has progressed to legal action. The University of Arkansas Counsel continues to work corroboratively with the Office of State Purchasing to address and resolve this legal action. The 1% represented here is contributed to network build management costs, and a substantial portion of IRU funds are expected to be expended in the following quarter.
2i.	Equipment Deployment	3	The project contributes a large amount of in-kind equipment toward its match amount. The revised Baseline Report reflected this match contribution proportional to the grant funds expected to expended within each quarter. Since delays in the finalization of IRU agreements have resulted in fewer funds being expended this quarter, fewer equipment matching funds were contributed.
2j.	Network Testing	0	--
2k.	Other (please specify): Indirect costs, huts, easements, project management costs	4	There is no material difference from the revised Baseline Report, which projected 3.43% compared to quarter's actual 3.51%.

**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).**

The University of Arkansas System did face several challenges or issues in the final quarter of Year 1. The delay of the approval of the Environmental Assessment and subsequent issuance of FONSI did not occur until the final weeks of this past quarter, which resulted in delays in the purchase of home healthcare and public safety equipment and project-wide variances in the Baseline Report. The BTOP program did offer assistance in correcting these and other variations by offering the University of Arkansas System to submit a revised Baseline Report, which is referenced within this progress report. Another challenge, the aforementioned conflict protest progressed to legal action, which further impeded progress in IRU negotiations, although progress has been and is being made in these negotiations.

**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	---
New network miles leased	0	---
Existing network miles upgraded	0	N/A
Existing network miles leased	0	---
Number of miles of new fiber (aerial or underground)	0	---
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	---

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

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

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:  
N/A

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).

UAMS has one sub-recipient that will operate a portion of the BTOP-funded network: the Arkansas Research and Education Optical Network. This portion includes the publicly owned fiber network connecting the state's four-year universities and two-year colleges to high speed fiber optic services, including 33 total sites. ARE-ON is a state-supported entity. The sub-recipient's contact information appears below:

Arkansas Research and Education Optical Network (ARE-ON)  
Michael D. Abbiatti, Executive Director  
155 S. Razorback Road  
Fayetteville, AR 72101  
479-575-3901

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)

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	N/A
	Providers with signed agreements receiving improved access	0	N/A
	Providers with signed agreements receiving access to dark fiber	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	---
	Subscribers receiving new access	0	---
	Subscribers receiving improved access	0	---
	Please identify the speed tiers that are available and the number or subscribers for each	0	---
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	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

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

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
N/A	N/A	N/A	N/A	N/A

**Project Indicators (Next Quarter)**

**1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).**  
 Year 2 Quarter 1 is anticipated to include several significant steps toward project completion. Several University of Arkansas for Medical Sciences (UAMS) systems were on hold until declaration of the FONSI. Now that the National Telecommunications and Information Administration (NTIA) has formally issued a FONSI, the University of Arkansas System may proceed in moving forward to its implementation phase.

The UAMS BTOP team (consisting of Project Director, Program Managers, coordinators, technologists and other UAMS directors) expects to have completed the process for finalizing contracts on interactive video (IAV) equipment, infrastructure equipment and Home Healthcare equipment in this quarter. This process includes opening and awarding bids followed by contract negotiation. This will enable a large portion of CAIs to receive telemedicine equipment that will prepare their sites for participation in the ATOM Network.

Other significant steps toward equipment procurement will be undertaken such as posting of Requests for Proposals (RFP); receiving and opening bids for eICU equipment, leased facilities, and routers / aggregators; and awarding bid for public safety equipment. Further, the UAMS BTOP team anticipates placing the order for public access PCs.

Improvements will be made in the tracking database allowing for ad hoc reporting. Outreach efforts include identification of a branding that will be easily recognized by the citizens of the state and participating community anchor institutions (CAIs). Validation of site contact information will be undertaken by phoning all CAIs prior to mailing introductory packets that outline the project, identify the CAI's respective Program Manager, provide site-specific information of planned equipment and leased facilities, set timeline expectations, identify next steps, and seek signatures on Memorandums of Agreement (MOA) for equipment and leased facilities. Once the introductory packets are mailed, initial visits to hub sites are planned. At these visits, Program Managers will conduct a survey for equipment and leased facilities placement.

ARE-ON, the program's sub-recipient, reports these project accomplishments are planned for completion during the next quarter:

- The majority of outside plant (fiber optic cable route) and inside plant design, drawings, and specifications for all fiber optic routes managed within the project will be completed.
- All design, drawings, and specifications for fifteen telecommunications fiber optic huts will be complete.
- The first fiber hut will be delivered to a college campus.
- The majority of the project's IRU agreements will be completed and executed.

**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	20	---
2b.	Environmental Assessment	86	---
2c.	Network Design	100	---
2d.	Rights of Way	0	---
2e.	Construction Permits and Other Approvals	100	---
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	25	---
2h.	Network Build (all components - owned, leased, IRU, etc.)	18	---

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2i.	Equipment Deployment	28	---
2j.	Network Testing	82	---
2k.	Other (please specify): Indirect costs, huts, easements, project management costs	8	---

**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).**

After issuance of the FONSI, the project has already begun to make significant progress. While every eventuality cannot be fully anticipated, the UAMS BTOP team will attempt to identify challenges or issues that may be encountered in Year 2 Quarter 1.

Although timeline projections have been conservative, it is possible equipment delivery may delay anticipated deployment at ATOM Network CAI sites. Once equipment vendor contact negotiations are finalized, the UAMS BTOP team will utilize vendor delivery timeline commitments to refine the timeline as needed.

Negotiations will continue regarding IRUs and hut construction. While progress is being monitored and managed, there are some unpredictable elements involved when negotiating terms with outside parties. A substantial portion of IRU funds are expected to be expended in Year 2 Quarter 1; however, the conflict protest that progressed to legal action could impede this progress. In addition, an easement is not available at one of the ARE-ON hut sites, which is currently being considered for land acquisition, long-term lease, or relocation should negotiations fail.

Any significant issues involving IRUs and hut construction could cause shifts in timelines shared by UAMS and ARE-ON, both of which are aware of project dependencies and how to manage them accordingly to keep the project on track for timely completion.

**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	\$10,709,094	\$88,400	\$10,620,694	\$717,597	\$0	\$717,597	\$1,112,210	\$0	\$1,112,210
b. Land, structures, right-of-ways, appraisals, etc.	\$10,711,692	\$9,851,632	\$860,060	\$0	\$0	\$0	\$501,855	\$0	\$501,855
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$2,172,357	\$0	\$2,172,357	\$9,062	\$0	\$9,062	\$1,072,923	\$0	\$1,072,923
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	\$28,195,212	\$0	\$28,195,212	\$849,269	\$0	\$849,269	\$6,478,830	\$0	\$6,478,830
j. Equipment	\$43,605,098	\$15,998,347	\$27,606,751	\$476,323	\$476,323	\$0	\$12,139,702	\$5,246,969	\$6,892,733
k. Miscellaneous	\$33,188,367	\$512,048	\$32,676,319	\$263,268	\$0	\$263,268	\$4,201,244	\$0	\$4,201,244
<b>l. SUBTOTAL (add a through k)</b>	\$128,581,820	\$26,450,427	\$102,131,393	\$2,315,519	\$476,323	\$1,839,196	\$25,506,764	\$5,246,969	\$20,259,795
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>n. TOTALS (sum of l and m)</b>	\$128,581,820	\$26,450,427	\$102,131,393	\$2,315,519	\$476,323	\$1,839,196	\$25,506,764	\$5,246,969	\$20,259,795

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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