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** NT10BIX5570116	**3. DUNS Number** 866946353

4. Recipient Organization

North Central New Mexico Economic Development District College of Santa Fe
Building T40, Santa Fe, NM 87505-7615

5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2012	**6. Is this the last 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 Tim Armer	**7c. Telephone (area code, number and extension)** X
	7d. Email Address tima@ncnmedd.com
7b. Signature of Certifying Official Submitted Electronically	**7e. Date Report Submitted (MM/DD/YYYY):** 05-15-2012

Project Indicators (This Quarter)

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

-Construction activities increased to 54% complete. Significant progress was made on the underground portion of network construction, which is now 75% complete. Aerial construction is proceeding more slowly at 22% complete due to ongoing replacement of 400 poles.

-Increase in new fiber deployed from 30.57 miles to 49 miles.

-Preparing POP facilities for network activation, including fiber testing/termination, generator installation, and utility connections.

-Procurement for utility locating services secured through competitive process. REDI Net also selected an upstream Internet provider through a competitive proposal process and is in final contract negotiations.

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	60	Based on total expenditures, 60% of project funds were obligated through the end of Q1 2012. Deviations from the baseline are described below and are associated with initial delays in receiving the FONSI and recent delays involving make-ready. Significant pole replacement activity occurred in Q1 2012, resulting in lower fiber deployment and construction progress for this quarter.
2b.	Environmental Assessment	100	A Finding of No Significant Impact (FONSI) was issued on June 20, 2011. Completion of this milestone was anticipated in Q1 2011. While the Environmental Assessment was completed on time, the federal review, federal comments and revisions to the EA took longer than expected.
2c.	Network Design	100	All engineering design was completed in Q2 2011 as projected in the baseline.
2d.	Rights of Way	98	REDI Net has yet to receive a ROW permit from the Pueblo de San Ildefonso.
2e.	Construction Permits and Other Approvals	100	All construction permits have been obtained. Please note that some additional permits will be required as a result of the EA Addendum, once approved.
2f.	Site Preparation	98	Site prep is complete for all POP locations, although Certificates of Occupancy are still pending. Please note that changes to the Los Alamos POP location will be requested as part of the EA Addendum. If approved, these changes will require additional site prep work.
2g.	Equipment Procurement	98	All major equipment procurement was completed during Q3 2011. However, it is possible that some smaller items, such as additional CPE or subscriber aggregation equipment will be ordered in future reporting periods. Therefore, a 2% variance is reserved. This is not holding up project completion.
2h.	Network Build (all components - owned, leased, IRU, etc)	54	Network construction began on June 27, 2011, immediately following issuance of the FONSI on June 20. Activities in the current reporting period include directional drilling, conduit placement, innerduct placement in existing conduit, internal building work, make ready (pole replacements, anchor setting, framing, etc), aerial fiber attachment, underground fiber installation, and POP building preparation. The baseline anticipated 100% completion of the network in Q1 2012. Deviations from the baseline are associated with initial delays in receiving the FONSI and recent delays involving make-ready. Significant pole replacement activity occurred in Q1 2012, resulting in lower fiber deployment and construction progress for this quarter.
2i.	Equipment Deployment	5	Equipment deployment began during the current reporting period, reflective of the fiber testing completion percentage. Although the baseline assumed 100% completion during Q1 2012, equipment

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			deployment itself will not impact overall project delivery, as it is pre-staged and ready for installation upon completion of fiber testing.
2j.	Network Testing	5	Configuration testing on network equipment was conducted in a lab environment and testing of the outside plant commenced during the current reporting period. Although baseline assumed 50% completion of network testing in Q1 2012, this is not impacting the project.
2k.	Other (please specify): Project Management	63	Project management work continued as anticipated, providing construction management, procurement, and general oversight. Baseline forecasted 66% completion in Q1 2012.

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).

There are two primary challenges being faced:

1. Make-Ready: Significant progress has been made with the electric co-op that represents the majority of our pole attachments, but continuous oversight and management is required to keep pole replacements on schedule. REDI Net and the co-op brought on additional crews in Q1 2012 to ramp up construction.

2. EA Addendum: The EA checklist and EA addendum include additional CAIs and corresponding laterals, as well changes to the original route to connect Los Alamos County. While the CAI/lateral work has been complete for some time, additional due diligence has been required on the route changes for Los Alamos County. This has resulted in delays with submitting the checklist and addendum. However, consultation with the relevant agencies has already occurred and should expedite the process once the documents are submitted.

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	49	Behind baseline due to make-ready delays (see 3 above).
New network miles leased	0	N/A
Existing network miles upgraded	5	5.33 miles of existing fiber
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	49	Behind baseline due to make-ready delays (see 3 above).
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	Interconnect points will be established closer to network activation

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	4
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:

Previously attached wholesale pricing schedule was modified by the REDI Net Board in the current reporting period, to remain competitive with market conditions. The REDI Net Board is also adopting policies which allow it to consider requests for Aggregated Internet Bandwidth provided that these requests do not negatively impact current bandwidth commitments to community anchor institutions and other last-mile providers, and do not or will not in the next five years cause REDI Net to exceed its oversubscription rate. CoLocation services are also being developed.

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).

REDI Net is in the process of negotiating a three-year Network Management Agreement with Kit Carson Electric Cooperative and Telecom, as described in the original BTOP grant application. Kit Carson Telecom will provide network management for 100% of the REDI Net network. Kit Carson Telecom is not a sub-recipient, contractor or subcontractor under the BTOP grant, but is providing network management free of charge to REDI Net for its first three years of operation. Address: 201 Cruz Alta Road, Suite B, Taos NM, 87571.

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 services are being provided to date.
	Providers with signed agreements receiving improved access	0	No services are being provided to date.
	Providers with signed agreements receiving access to dark fiber	0	No services are being provided to date.
	Please identify the speed tiers that are available and the number of subscribers for each	0	No services are being provided to date.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	No services are being provided to date.
	Subscribers receiving new access	0	No services are being provided to date.
	Subscribers receiving improved access	0	No services are being provided to date.
	Please identify the speed tiers that are available and the number or subscribers for each	0	No services are being provided to date.
Residential / Households	Entities passed	0	Residential services will be provided by last-mile providers.
	Total subscribers served	0	Residential services will be provided by last-mile providers.
	Subscribers receiving new access	0	Residential services will be provided by last-mile providers.
	Subscribers receiving improved access	0	Residential services will be provided by last-mile providers.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Residential services will be provided by last-mile providers.
Businesses	Entities passed	0	Business services will be provided by last-mile providers.
	Total subscribers served	0	Business services will be provided by last-mile providers.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Subscribers receiving new access	0	Business services will be provided by last-mile providers.
	Subscribers receiving improved access	0	Business services will be provided by last-mile providers.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Business services will be provided by last-mile providers.

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

REDI Net will provide the following service offerings: For community anchor institutions: Bundled Internet/Ethernet Access, Ethernet Transport. For last-mile service providers: Per Subscriber Bandwidth, Aggregated Internet Bandwidth, Ethernet Transport, CoLocation.

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).

- Construction Activities: 30 new network miles will be deployed and significant ramp-up in pole replacements will occur with the addition of new crews. Will complete major backbone segment between Espanola and Velarde as well as routes within Los Alamos/ White Rock.
- Route Changes: We will submit an EA Addendum for additional CAIs/laterals and route changes to connect Los Alamos County in upcoming reporting period.
- Contracts and Agreements: In the upcoming reporting period, REDI Net will finalize an interconnect bandwidth agreement, a network operations agreement with Kit Carson Telecom, and an operation and maintenance agreement with Jemez Mountains Electric Cooperative.
- REDI Net will continue network readiness, including fiber testing, POP preparation, core router installation, and burning in portions of the network, in an effort to launch services in limited markets in Q3 2012. Connections to CAIs will not be activated until Q3 2012, although in-building installation is ongoing. Therefore, no CAIs will be connected in Q2 2012.

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**	66	Construction activity will increase as make-ready ramps up, bringing the project closer to performance goals.
2b.	**Environmental Assessment**	100	Complete
2c.	**Network Design**	100	Complete
2d.	**Rights of Way**	100	Complete

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2e.	Construction Permits and Other Approvals	100	Complete
2f.	Site Preparation	99	We anticipate receiving Certificates of Occupancy (COs) for the Espanola and Santa Fe POPs. The CO for the Los Alamos POP may take additional time due to changes requested in the EA Addendum.
2g.	Equipment Procurement	98	All major equipment orders are already complete, although it is possible that some smaller elements (servers, additional CPE, subscriber aggregation equipment) might be needed after the upcoming reporting period, so 2% of the budget is being reserved.
2h.	Network Build (all components - owned, leased, IRU, etc.)	62	Construction and procurement activities started late June 2011, due to delays with the FONSI. Since initiating construction, there have been some additional challenges with pole attachment applications, make-ready, and materials supply, all of which have been resolved. Construction is now ramping up and will continue to do so in the upcoming reporting period. Upcoming activities include significant focus on pole replacements, aerial fiber installation, and completing underground construction.
2i.	Equipment Deployment	50	Core routing equipment and additional CPE will be installed in the upcoming reporting period, to prepare for limited network activation in Q3 2012.
2j.	Network Testing	50	We forecast that 50% of the network testing will be complete in the upcoming reporting period.
2k.	Other (please specify): Project Management	70	Project management work continued as anticipated, providing construction management, procurement, and general oversight.

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).

In the upcoming reporting period, we expect the pole replacement and make-ready activities to require continued, close oversight. This will be one of our main areas of focus. The other activity that could impact overall project delivery is the EA Addendum. In May of the upcoming reporting period, REDI Net will submit the EA Addendum checklist and subsequent EA addendum. Approval of the EA addendum is important from a construction scheduling standpoint, so that we have the appropriate personnel available to complete the work and avoid demobilization/remobilization expenses.

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.

Cost Classification	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		
	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	$150,000	$31,664	$118,336	$125,144	$26,280	$98,864	$133,144	$28,280	$104,864
b. Land, structures, right-of-ways, appraisals, etc.	$867,400	$183,036	$684,364	$823,900	$823,900	$0	$823,900	$823,900	$0
c. Relocation expenses and payments	$0	$0	$0	$0	$0	$0	$0	$0	$0
d. Architectural and engineering fees	$1,579,060	$333,196	$1,245,864	$1,148,128	$241,107	$907,021	$1,188,128	$250,107	$938,021
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	$10,794,983	$2,277,755	$8,517,228	$5,873,856	$1,233,510	$4,640,346	$6,640,856	$1,365,510	$5,275,346
j. Equipment	$0	$0	$0	$0	$0	$0	$0	$0	$0
k. Miscellaneous	$0	$0	$0	$0	$0	$0	$0	$0	$0
l. SUBTOTAL (add a through k)	$13,391,443	$2,825,651	$10,565,792	$7,971,028	$2,324,797	$5,646,231	$8,786,028	$2,467,797	$6,318,231
m. Contingencies	$0	$0	$0	$0	$0	$0	$0	$0	$0
n. TOTALS (sum of l and m)	$13,391,443	$2,825,651	$10,565,792	$7,971,028	$2,324,797	$5,646,231	$8,786,028	$2,467,797	$6,318,231

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