

RECIPIENT NAME:MCNC
AWARD NUMBER: NT10BIX5570120
DATE: 03/15/2012

OMB CONTROL NUMBER: 0660-0037
EXPIRATION DATE: 12/31/2013

ANNUAL 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 NT10BIX5570120	3. DUNS Number 018946590
4. Recipient Organization MCNC 3021 Cornwallis Road, Research Triangle Park, NC 27709-2889		
5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2011	6. Is this the last Annual Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> 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 Patricia Moody Chief Financial Officer	7c. Telephone (area code, number and extension) 9192481820	7d. Email Address pmoody@mcnc.org
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 03-15-2012	

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)	0	While newly constructed miles have been installed in the ground, they are not in service at this point, and per guidance are not included in this report.
Average cost per household passed (Last Mile)	0	N/A to our project
Average cost per subscriber (Last Mile)	0	N/A to our project
Maximum broadband speed advertised (Middle Mile)	0	At this point we have not placed any segments in to service. Ultimately the initial offering will be 10Gbps with capabilities up to 100Gbps.
Maximum broadband speed advertised (Last Mile)	0	N/A to our project
Average broadband speed provided (Middle Mile)	0	At this point we have not placed any segments in to service. Ultimately the initial offering will allow for 10Gbps average connectivity.
Average broadband speed provided (Last Mile)	0	N/A to our project

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
N/A	N/A	N/A	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)

No agreements have been signed to date. Our marketing partner is discussing opportunities with potential carriers and users of the network, but none have been signed to date. We are learning that carriers want to see the final product before making any commitments. No requests for discussion about potential agreements have been denied.

Peering and Transit Agreements (600 words or less)

As the construction of the network is ongoing, with no full segments ready for operation, there are no peering and transit agreements yet in place.

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)	58	Public Housing	0
Libraries	52	Other Institutions of Higher Education	8
Medical and Healthcare Providers	2	Other Community Support Organizations	1
Public Safety Entities	11	Other Government Facilities	0
Community Colleges	45	Total Community Anchor Institutions	177

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).

While we have not yet completed any of the infrastructure, plans call for all CAI's to receive service at a minimum of 1Gpbs over the fiber enabled infrastructure.

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:

There are no planned retail service offerings associated with this project as MCNC does not provide residential or service to business enterprises.

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)?

The North Carolina Research and Education Network by policy does not limit/restrict access to the network. There is no prioritization of traffic placed on the backbone for IP based services. Lambda based circuits encompass their own payload, so by nature that traffic is prioritized within the circuit design. The only filtering policies on the IP backbone that are utilized relate to anti-spoofing related filters to protect our customers, and the IP based resources of the infrastructure itself. If a site is the target of or initiating a Denial of Service attack, from time to time network access will be limited to resolve those issues. We do have a service that our K-12 community users can procure related to content filtering to satisfy CIPA (Children Internet Protection Act) requirements.

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).

N/A

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
189,725	0	0	0	6,372	0	183,353

10. If you wholesale dark fiber, please list your wholesale customers and the number of fiber miles you currently are leasing to those customers:

No customers have been signed on as of this report.

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

0	0	0	0
---	---	---	---

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).

MCNC will be deploying telecommunication huts as part of the project as we enter the next 6 months of the project. As of this report, several had been started from a site work perspective, but none had been finished. Where suitable existing space exists, MCNC will use a few select CAI's along the route to house the equipment that will operate the network.

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).

MCNC's efforts for socially and economically disadvantaged small (SDB) business involvement has resulted in one prime contract and four subcontracts through our prime contractors with SDB concerns:

- SEPI Engineering and Construction, Inc - WBE
- CBW Communications Engineers - VBE
- Edwards Telecommunications, Inc. - VBE
- Minter Consulting - MBE
- Globenet Telecommunications, LLC - MBE

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

Work through your permitting process as quickly as possible. Issues will undoubtedly surface that will take additional time. Do not allow your contracts that you award work to only focus on the easy elements of construction first without also addressing some of the difficult elements. We had a situation where they did all the easy stuff, let the remainder, and our prime contractor has had difficulty finding someone to complete the segment they were awarded. Award RFP's early. Implement stringent contracts for material delivery and construction delivery. Expect your legal bills to be more than you anticipated. Celebrate your successes and always look at the big picture.

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).