

**QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS**

General Information		
<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b> GOL	<b>2. Award Identification Number</b> NT10BIX5570017	<b>3a. DUNS Number</b> 188655898
		<b>3b. EIN</b> XXXXXXXXXXX
<b>4. Recipient Organization (Name and complete address including country, congressional district, and zip code)</b> Executive Office of the Commonwealth of Pennsylvania (Office of Administration) 225 Capitol Building, Harrisburg, PA 17120-0001		
<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b> 09-30-2010	<b>6. Is this the last Report of the Award Period?</b> <input type="radio"/> Yes <input checked="" 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>  Holly Caudill	<b>7c. Telephone (area code, number and extension)</b>  7174257650	
	<b>7d. Email Address</b>  hcaudill@state.pa.us	
<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  11-23-2010	

**Project Indicators (This Quarter)**

**1. Please describe significant project accomplishments completed during this quarter (150 words or less).**  
 During the 3rd quarter of 2010, the Commonwealth of Pennsylvania focused on issuing purchase orders of equipment and services to support the launch of our project. In the process, the commonwealth issued purchase orders to Alcatel-Lucent Corporation for a portal based product to provide asset management as well as to assist in business management of the high-speed internet sales. We have also issued purchase orders for the engineering, project management and installation services in support of the various upgrades to the microwave network. The Commonwealth held a "Broadband Summit" in September bringing equipment vendors together with internet service providers and the public to educate and discuss the issues at hand concerning broadband and the lack of broadband in underserved and unserved areas of Pennsylvania. The Commonwealth added two new employees to dedicate to grant compliance and project management.

**2. Please provide the percent complete for the following key milestones in your project. Write "N/A" in the second 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 (100 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	3	Based upon the project construction schedule recently submitted by the vendor for the 68 backbone sites, we have projected overall completion to be 3%. This is a revision downward We expect to be able to catch up during Q2 and Q3 of 2011. It took longer than expected to get all purchasing documents processed and no infrastructure installation started during Q3.
2b.	Environmental Assessment	95	The Commonwealth received the Environmental Assessment or Finding Of No Significant Impact (FONSI) from NTIA on August 12, 2010. After receiving the Assessment, we were notified by the Wyandotte Tribe with a concern. We have initiated an investigation to address their concerns and are expecting a favorable outcome.
2c.	Network Design	60	Network vendor started process of delivering a high-level and low-level network switching design. Project includes 43 point to point and point to multipoint wireless connections to anchor institutions and last mile providers. Although a preliminary design included an array of 110 potential locations and environmental assessments, the final network design will be based upon customer requirements. The current status will not cause delays to backbone construction and network design will be completed by end of Q2 2011.
2d.	Rights of Way	65	Commonwealth is ensuring that every site permission document is finalized with all required technical amendments. There are master license agreements in place for all site and tower owners. This issue is related to the installation of any customer equipment at project sites but will not delay backbone construction.
2e.	Construction Permits and Other Approvals	0	No Construction activities have started and most construction permits, if required, will be requested in Q4 of 2010 or Q1 of 2011. Permits could be needed at the 14 locations where the commonwealth is building a new communications tower or adding a new communications shelter, depending on local ordinances. The remaining 54 sites will typically not require permits.
2f.	Site Preparation	0	No site activity has commenced.
2g.	Equipment Procurement	54	The Commonwealth has issued purchase orders for all equipment required for backbone construction, but equipment purchases for anchor institution connections are pending. Although completion is ahead, there are still milestones for delivery of equipment and ordering of equipment for wireless links to backbone.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	No build activity has commenced.
2i.	Equipment Deployment	0	No equipment deployment has commenced.
2j.	Network Testing	0	No network testing has commenced.

2k.	Other (please specify): <b>Customer Acquisition, Support and Billing</b>	30	We have issued a purchase order to Alcatel-Lucent for a portal based asset management tool to assist in tracking the service subscriptions as well as billing of customers. While the initial design and hardware requirements have been determined, the final look of the product has yet to be finalized and may be influenced by the first customers to sign onto the service.
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**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 (150 words or less).**

Significant effort was expended to move from detailed vendor quotations to issuance of Commonwealth purchase orders within the structure of the grant program. Accomplishing this administrative task is enabling equipment and service delivery to begin.

**4. Please report the following information regarding network build progress. Write "N/A" in the second 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 (100 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 construction or implementation started at this point.
New network miles leased	0	Our project does not include leased network.
Existing network miles upgraded	0	No construction or implementation started at this point.
Existing network miles leased	0	Our project does not include leased network.
Number of miles of new fiber (aerial or underground)	0	No construction or implementation started at this point.
Number of new wireless links	0	No construction or implementation started at this point.
Number of new towers	0	No construction or implementation started at this point.
Number of interconnection points	0	No construction or implementation started at this point.

For questions 5 and 6 please include information relating to agreements that you are negotiating or have entered into, or that your subrecipient, 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	0

**5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements. Providers:**  
 n/a at this point in the project

**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. Wholesale services description:**  
 Current plan is to offer Ethernet virtual circuits at 3, 6,10, 20 and 50 Mbps. Price will be based on Network Interface Access and number of microwave hops between ports. Standard features to include Layer 2 MPLS Ethernet ports, best effort routing with route protection in backbone hops, and base price includes basic burst capability of up to 25% of contracted bandwidth at no cost if excess capacity is available. Includes tower site compound access, but not tower space.

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 subrecipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this third party operates (150 words or less).  
 n/a

6. Please provide the data according to the type of subscriber. Write "N/A" 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 (100 words of less).

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
<b>Broadband Wholesalers or Last Mile Providers</b>	<b>Providers with signed agreements receiving new access</b>	0	No providers have signed agreements at this point.
	<b>Providers with signed agreements receiving improved access</b>	0	No providers have signed agreements at this point.
	<b>Providers with signed agreements receiving access to dark fiber</b>	0	Not included in this project.
	<b>Please identify the speed tiers that are available and the number of subscribers for each</b>	0	No providers have signed agreements at this point.
<b>Community Anchor Institutions (including Government institutions)</b>	<b>Total subscribers served</b>	0	No subscribers served at this point
	<b>Subscribers receiving new access</b>	0	No subscribers served at this point
	<b>Subscribers receiving improved access</b>	0	No subscribers served at this point
	<b>Please identify the speed tiers that are available and the number or subscribers for each</b>	0	No subscribers served at this point
<b>Residential / Households</b>	<b>Entities passed</b>	0	Not addressed in this project.
	<b>Total subscribers served</b>	0	Not addressed in this project.
	<b>Subscribers receiving new access</b>	0	Not addressed in this project.
	<b>Subscribers receiving improved access</b>	0	Not addressed in this project.
	<b>Please identify the speed tiers that are available and the number of subscribers for each</b>	0	Not addressed in this project.
<b>Businesses</b>	<b>Entities passed</b>	0	Not addressed in this project.
	<b>Total subscribers served</b>	0	Not addressed in this project.
	<b>Subscribers receiving new access</b>	0	Not addressed in this project.
	<b>Subscribers receiving improved access</b>	0	Not addressed in this project.

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	Not addressed in this project.

**7. Please describe any special offerings you may provide (150 words or less).**  
 Because the BTOP grant is being implemented by a Public Safety communications agency, we will be considering discounting services to local public safety entities by approximately 30%, such as local fire, police and emergency response.

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

**8b. If so, please describe the changes (150 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. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent calendar year. 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 (100 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 at this point in the project	n/a	n/a	n/a	n/a
n/a at this point in the project	n/a	n/a	n/a	n/a
n/a at this point in the project	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 (150 words or less).**  
 By the end of the 4th quarter of 2010, the Commonwealth of Pennsylvania hopes to begin site preparation and construction of the first link between two sites of our project, weather permitting. We also expect the centralized operating software, customer support and billing components of the software that we procured during the 3rd quarter be installed onto hardware. Purchase orders for shelter, tower and compound work will be issued. A procurement for a quality assurance vendor will be completed. By the close of the 4th quarter, we also hope to have received the remaining site agreement amendments fully executed as well as any site permits we might need for the following quarter. Additionally, we plan to begin equipment installation at three of our sites to enable speeds up to 150 Mbps. This progress will position the project to remain on schedule with the focus on major infrastructure improvements to be rolled out in the 2nd Quarter of 2011.

**2. Please provide the percent complete for the following key milestones in your project. Write "N/A" in the second 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 (100 words or less).**

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	Overall Project	6	We expect to have issued all of the purchase orders, with the exception of the wireless links as well as complete two microwave hops (or links) between three sites. Project will be on track with baseline plan in Q3 2011.
2b.	Environmental Assessment	100	We expect a favorable response from the secondary investigation previously noted resulting from a request from the Wyandotte Tribe.
2c.	Network Design	90	High-level and low-level network switching design will be completed. Remaining 10% contingency for additional design of 43 point to point and point to multi-point connections from the middle-mile backbone to customers. Project will be on track with baseline plan in Q3 2011.
2d.	Rights of Way	94	Contingency for a slower than normal response time due to the holidays. Project will be on track with baseline plan by end Q1 2011 with all site permissions finalized for broadband.
2e.	Construction Permits and Other Approvals	79	We are currently determining the need for construction permits and or zoning approvals. Should it be determined that we need either for the new towers and shelters that we will be building and installing as part of this project, three fourths will be secured by close of Q4.
2f.	Site Preparation	21	We expect to complete the site preparation on three sites by close of 2010.
2g.	Equipment Procurement	55	We expect that we will have ordered all equipment with the exception of the 43 wi-max (wireless) links by the close of Q4. Delivery and acceptance of equipment, other than wi-max, is anticipated to begin in Q4.
2h.	Network Build (all components - owned, leased, IRU, etc.)	3	We expect to complete the implementation of three sites to the point that they would be able to sustain the 150 Mbps speeds of broadband; however we also plan to return to these sites at a later date in the project to further upgrade them to allow for the traffic/ high-speed internet to pass through these sites via the path of least resistance. Project will be on track with baseline plan in Q3 2011.
2i.	Equipment Deployment	5	We expect to deploy the equipment to three of our sites which would allow them to pass traffic that could reach speeds up to 150 Mbps by the end of Q4, 2010. Project will be on track with baseline plan in Q1 2011.
2j.	Network Testing	4	Network Testing is expected to begin in Q1 of 2011.
2k.	Other (please specify): Customer Acquisition, Support and Billing	50	Workshop to identify interfaces as well as billing design documents is planned for Q1 of 2011. Q4 of 2010 will therefore show much of the research and preparation necessary to be prepared for Q1 of 2011. We have also determined that we plan to begin offering services to customers in July of 2011.

**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 (150 words or less).**  
 The challenge in Q4 that we anticipate might delay our progress, would be a colder or wetter than normal winter. Significant rain or snowfalls accumulations during these months would make tower work perilous and progress on site work and tower/shelter construction difficult.

### 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	\$2,881,250	\$0	\$2,881,250	\$31,251	\$30,157	\$1,093	\$2,110,065	\$0	\$2,110,065
b. Land, structures, right-of-ways, appraisals, etc.	\$5,323,484	\$5,128,994	\$194,490	\$358,441	\$358,441	\$0	\$512,655	\$512,655	\$347,710
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$2,997,474	\$0	\$2,997,474	\$32,795	\$32,795	\$0	\$32,795	\$32,795	\$0
e. Other architectural and engineering fees	\$495,125	\$0	\$495,125	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$1,763,200	\$0	\$1,763,200	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$6,628,767	\$0	\$6,628,767	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$4,995,267	\$734,493	\$4,260,774	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$10,895,450	\$1,332,516	\$9,562,934	\$0	\$0	\$0	\$0	\$0	\$0
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>l. SUBTOTAL (add a through k)</b>	<b>\$35,980,017</b>	<b>\$7,196,003</b>	<b>\$28,784,014</b>	<b>\$422,487</b>	<b>\$421,393</b>	<b>\$1,093</b>	<b>\$2,655,515</b>	<b>\$545,450</b>	<b>\$2,457,775</b>
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>n. TOTALS (sum of l and m)</b>	<b>\$35,980,017</b>	<b>\$7,196,003</b>	<b>\$28,784,014</b>	<b>\$422,487</b>	<b>\$421,393</b>	<b>\$1,093</b>	<b>\$2,655,515</b>	<b>\$545,450</b>	<b>\$2,457,775</b>

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: \$1,567,257	b. Program Income to Date: \$0
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