

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 NT10BIX5570017	3. DUNS Number 188655898
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4. Recipient Organization

 Executive Office of the Commonwealth of Pennsylvania (Office of Administration) 225 Capitol Building, Harrisburg, PA 17120-0001

5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2011	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 Holly Caudill	7c. Telephone (area code, number and extension) 7174257650
	7d. Email Address hcaudill@state.pa.us

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-31-2011
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Project Indicators (This Quarter)

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

By the close of the first quarter of 2011, the Commonwealth of Pennsylvania was able to continue installation of microwave equipment, begin shelter construction and work on the initial design of our billing and provisioning system for the sale of broadband to last mile providers and community anchor institutions. As of the end of March 2011, we have installed fifteen of the seventy-one microwave connections included within the project scope as well as poured three of the shelter foundations. We have also actively inspected the completed and planned work with a quality assurance vendor.

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	4	<p>According to the guidance from the NTIA and direction from our current Federal Program Officer, our current overall project progress would be gaged at only 4% of progress. Expenditures for the Commonwealth of Pennsylvania are one of the final elements of any project. The commonwealth requires that any goods or services are delivered/ performed and quality control checked prior to the invoicing by the vendor. Once an invoice is received, it is generally paid within 30 days of receipt.</p> <p>Using this method to measure progress will make catching up to the baseline extremely difficult since our project's baseline is based upon the same factors as our internal method of progress measurement, and is not expenditure based. Our internal method of progress measurement has been documented for our Federal Program Officer.</p> <p>As of the close of Q1, our project has reached 14% of completion according to our own internal measurements. We have completed 15 microwave connection upgrades as well as issued a total of 24 purchase orders for equipment and services. While we are slightly behind the baseline report, we expect to catch up next quarter when we complete the final testing of the first phase of microwave connections.</p>
2b.	Environmental Assessment	100	<p>According to the guidance from the NTIA and direction from our current Federal Program Officer, our progress on this milestone would be gaged at 100% of progress. All invoices have been received and paid for work associated with our project's environmental assessment.</p> <p>We completed this milestone as of the close of Q4 according to our own internal measurements. Our Finding of No Significant Impact (FONSI) was issued in Q3 of 2010; however, we received an additional inquiry after receiving the FONSI. As a result, we performed research to satisfy the request we had received from the Wyandotte tribe. By the close of Q4, we had received notification of a satisfactory result of our research.</p>
2c.	Network Design	44	<p>According to the guidance from the NTIA and direction from our current Federal Program Officer, our progress for this milestone would be at 44% based solely on expenditures.</p> <p>We have completed the initial documentation phase of our network as well as the high and low level design documentations for the backbone portion of the project. The final design documentation for the wireless connections may be determined by the needs of the initial customers. We anticipate being able to begin to close the gap between our current percent completion and the baseline report during Q2 of 2011 with the completion of our wireless design for the first customers of the project. According to our own internal tracking we are at 90% of project completion.</p>

	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	0	<p>According to guidance from the NTIA and direction from our current Federal Program Officer, our progress for this milestone is not to be tracked and is listed as 0% due to there being no expenditures for this milestone.</p> <p>The commonwealth has internally used the rights of way milestone to track the execution of signature documents with our project. Considering that our network is already in existence and is being enhanced as part of the broadband middle mile project, the actual rights of way documents are in place. Permissions documents are used to update the owner of our intent to change a detail in the current set up. These documents are trickling in and we anticipate a larger push to catch up with our baseline report within Q2 of 2011. According to our own internal measurements for this milestone, we are currently at 76% completion.</p>
	2e. Construction Permits and Other Approvals	0	<p>According to guidance from the NTIA and direction from our current Federal Program Officer, our progress for this milestone is not to be tracked and is listed as 0% due to there being no expenditures for this milestone.</p> <p>The commonwealth has internally used the Construction Permits and other Approvals milestone to track our project's completion in obtaining the necessary permits and approvals even though they do not have an expenditure attached to them.</p> <p>Upon submission of the drawings for our five new towers, it was determined that a building permit will not be required for the towers due to language in the Uniform Construction Code which exempts public service agencies requesting to install, alter or repair generation, transmission, distribution, metering or other related equipment under its ownership from acquiring a permit. This has been confirmed by the Pennsylvania Department of Labor and Industry.</p> <p>We will however, be required to obtain zoning permits for the two towers in Lycoming County and Federal Aviation Administration (FAA) clearances for all five towers. We have secured four of the five clearances to date and are working to obtain the zoning permits. While our progress in this milestone trails that of our baseline, we will be able to close the gap during the second quarter as long as the remaining clearance and zoning permits are not delayed beyond what is currently anticipated. Our percentage of completion for this milestone is set at 45% internally.</p>
	2f. Site Preparation	0	<p>According to guidance from the NTIA and direction from our current Federal Program Officer, our progress for this milestone is at 0% due to the lack of any expenditures posting to date as of the close of Q1.</p> <p>As with the other milestones, we internally have tracked our progress using items of accomplishment other than expenditures. During the first quarter of 2011, we poured foundations for three shelters which are now curing in preparation for the new structure that will be installed there.</p> <p>According to our own internal methods of tracking progress based upon pre-defined items of accomplishment, we have reached 21% of completion for this milestone.</p>

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
	2g. Equipment Procurement	0	<p>According to the guidance from the NTIA and direction from our current Federal Program Officer, our current progress for this milestone would be gaged at 0% of completion due to the lack of any expenditures at this point in the project. Expenditures for the Commonwealth of Pennsylvania are one of the final elements of any project. The commonwealth requires that any goods or services are delivered/ performed and quality control checked prior to the invoicing by the vendor. Once an invoice is received, it is generally paid within 30 days of receipt.</p> <p>According to our own internal measurements, we have reached 74% of project completion on this milestone. Our method of measurement includes the actual procurement, ordering and delivery of the equipment as well as invoicing.</p> <p>We recently issued a purchase order to acquire equipment that will drastically reduce the downtime experienced during the transition between equipment cabinets and larger shelters. We have also deployed and installed equipment at 15 microwave connections prior to the close of Q1. Due to the Commonwealth's policy requiring the vendor to install, test and obtain our customer approval prior to invoicing for equipment or services this equipment has not been invoiced for within Q1.</p>
	2h. Network Build (all components - owned, leased, IRU, etc)	0	<p>According to the guidance from the NTIA and direction from our current Federal Program Officer, our current progress for this milestone would be gaged at 0% of completion. Expenditures for the Commonwealth of Pennsylvania are one of the final elements of any project. The commonwealth requires that any goods or services are delivered/ performed and quality control checked prior to the invoicing by the vendor. Once an invoice is received, it is generally paid within 30 days of receipt.</p> <p>According to our own internal methods of tracking progress based upon pre-defined items of accomplishment, we have reached 4% of completion for this milestone.</p> <p>We have continued to install microwave equipment to upgrade a total of fifteen of the 71 connections at this point in our project. Additionally, modifications to nine of our existing towers has occurred enabling new coax cabling to be routed into the shelters for connection to existing equipment. As of the close of Q1, foundations to three of the new shelters have been poured and are in the curing phase. As long as we are able to secure the necessary zoning permits and Federal Aviation Administration clearances for the tower construction, we expect to be able to remain on schedule. We hope to catch up to our baseline report within Q2 and Q3 with the completion of construction of the first tower and shelter structures.</p>
	2i. Equipment Deployment	0	<p>According to the guidance from the NTIA and direction from our current Federal Program Officer, our current progress for this milestone would be gaged at 0% of completion. Expenditures for the Commonwealth of Pennsylvania are one of the final elements of any project. The commonwealth requires that any goods or services are delivered/ performed and quality control checked prior to the invoicing by the vendor. Once an invoice is received, it is generally paid within 30 days of receipt.</p> <p>According to our own internal methods of tracking progress based upon pre-defined items of accomplishment, we have reached 11% of completion for this milestone.</p>

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			<p>By the close of Q1, fifteen microwave radio connections have received equipment upgrades.</p> <p>The installation of switching equipment has been delayed due to a change necessitated by one component included in our initial order becoming discontinued.</p> <p>We have taken steps to avoid any significant delays to the project as a result of this change.</p>
2j.	Network Testing	0	<p>According to the guidance from the NTIA and direction from our current Federal Program Officer, our current progress for this milestone would be gaged at 0% of completion. Expenditures for the Commonwealth of Pennsylvania are one of the final elements of any project. The commonwealth requires that any goods or services are delivered/ performed and quality control checked prior to the invoicing by the vendor. Once an invoice is received, it is generally paid within 30 days of receipt.</p> <p>According to our own internal methods of tracking progress based upon pre-defined items of accomplishment, we have reached 4% of completion for this milestone.</p> <p>Microwave testing will be performed in conjunction with testing of the switching equipment for a more efficient use of field technician resources. The testing schedule has been revamped to allow us to proceed on that basis.</p> <p>We do not expect this to delay our project.</p>
2k.	Other (please specify): Customer Acquisition, Support and Billing	0	<p>According to the guidance from the NTIA and direction from our current Federal Program Officer, our current progress for this milestone would be gaged at 0% of completion. Expenditures for the Commonwealth of Pennsylvania are one of the final elements of any project. The commonwealth requires that any goods or services are delivered/ performed and quality control checked prior to the invoicing by the vendor. Once an invoice is received, it is generally paid within 30 days of receipt.</p> <p>According to our own internal methods of tracking progress based upon pre-defined items of accomplishment, we have reached 37% of completion for this milestone.</p> <p>During Q1, we completed the initial design of the billing and provisioning system as well as determined how we will integrate the automated billing that it will provide, into the Commonwealth's current billing system.</p>
<p>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).</p> <p>During the first quarter of 2011, the Commonwealth of Pennsylvania was able to continue to make progress. While we had a winter that brought significant snowfalls to many areas of Pennsylvania and a rainy start to spring, our crews have been able to continue to get into the sites and complete installations and upgrades. The only delay we experienced was the need to alter switching equipment chosen for the project due to a network card becoming discontinued. We have adjusted our purchase order accordingly and the first batch of new equipment has arrived at our vendor's warehouse. We expect that this equipment should begin to be installed within the second quarter of 2011.</p> <p>No significant delays were experienced.</p>			
<p>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).</p>			

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
New network miles deployed	0	no new network miles have been deployed
New network miles leased	0	n/a, our project does not include leased network
Existing network miles upgraded	0	While we have installed upgraded microwave equipment at fifteen sites in the network, until the switching upgrades have been installed at those sites as well, we are not considering them to be fully upgraded
Existing network miles leased	0	n/a, our project does not include leased network
Number of miles of new fiber (aerial or underground)	0	n/a, our project does not include fiber
Number of new wireless links	0	Much of the wireless portion of our network will be determined by the first customers to connect to our project. Our plan is to begin the sale of services within the third quarter of 2011.
Number of new towers	0	Our project includes the construction of five new self-supporting radio towers. The construction of those towers will begin in the second quarter of 2011. We expect to complete construction of two of those new towers within the second quarter of 2011.
Number of new and/or upgraded interconnection points	0	Interconnection points will be added to the network as the new customers and their needs are determined. We expect to begin offering broadband services as the initial segments of switching enabled bandwidth are completed to interested last mile providers or anchor institutions.

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: While we have not signed any agreements to date with wholesale or last mile providers, we have had discussions with various middle mile and last mile providers and are working toward determining exactly how the relationship will be structured between the Commonwealth of Pennsylvania and the last mile provider as well as logical points of interconnection between networks.

We anticipate signing the first contracts within Q2 of 2011 for service that would start the quarter following.

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:

Our current plan continues to be to offer Ethernet virtual circuits at 3,6,10, 20, and 50 Mb/s. Our pricing will be based upon Network Interface Access and number of microwave connections between ports. Standard features will include Layer 2 MPLS Ethernet ports, best effort routing with route protection in backbone connections, and base price includes basic capability of up to 25% of contracted bandwidth at no cost if excess capacity is available. Agreement 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 sub recipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this this third party operates (600 words or less).

The Commonwealth of Pennsylvania has not designated a third party to manage the available broadband services offered by our network.

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	n/a at this point in the project
	Providers with signed agreements receiving improved access	0	n/a at this point in the project
	Providers with signed agreements receiving access to dark fiber	0	n/a at this point in the project
Community Anchor Institutions (including Government institutions)	Please identify the speed tiers that are available and the number of subscribers for each	0	n/a at this point in the project
	Total subscribers served	0	n/a No subscribers served at this point in the project
	Subscribers receiving new access	0	n/a No subscribers served at this point in the project
	Subscribers receiving improved access	0	n/a No subscribers served at this point in the project
Residential / Households	Please identify the speed tiers that are available and the number of subscribers for each	0	n/a No subscribers served at this point in the project
	Entities passed	0	Not addressed in this middle mile project
	Total subscribers served	0	Not addressed in this middle mile project
	Subscribers receiving new access	0	Not addressed in this middle mile project
	Subscribers receiving improved access	0	Not addressed in this middle mile project
Businesses	Please identify the speed tiers that are available and the number of subscribers for each	0	Not addressed in this middle mile project
	Entities passed	0	Not addressed in this middle mile project
	Total subscribers served	0	Not addressed in this middle mile project
	Subscribers receiving new access	0	Not addressed in this middle mile project
	Subscribers receiving improved access	0	Not addressed in this middle mile project

7. Please describe any special offerings you may provide (600 words or less).
 Because our project is implemented by a Public Safety communications agency, we are considering offering discounted services to local public safety entities 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 (300 words or less).
 n/a Our network management practices have not changed.

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
to be determined	to be determined	To be determined	to be determined	n/a, at this point in the project

Project Indicators (Next Quarter)

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

By the close of the second quarter of 2011, our project expects to have completed construction of five new shelters as well as two new self supporting radio towers. We believe that we will have begun installation of switching equipment on the network and continued the upgrade of microwave radio connections as well. We also anticipate being on the verge of having worked out a relationship with last mile service provider(s) or interested community anchor institution(s) allowing us to open our doors for business in the areas of the network that have been completely upgraded. We will be able to show a significant increase in actual expenditures during this quarter as items are completed. The commonwealth requires that items procured through purchase order be received, installed, and tested prior to invoicing. With that said, we will have reached this point for many of our shelters, two of our towers and up to a dozen of our microwave radio connections allowing for invoicing of each.

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	16	<p>According to the guidance from the NTIA and direction from our current Federal Program Officer, our progress on this milestone is to be tracked solely on expenditures. Following that guidance, our expected percent complete is estimated at 16%</p> <p>According to our own internal methods of tracking progress based upon pre-defined items of accomplishment, we expect to have reached 38% of completion for this milestone within Q2.</p> <p>During Q2 of 2011, we expect to complete construction on five new equipment shelters as well as two new self-supporting towers within Q2. In order to complete the tower construction we will need to finalize the zoning permit process as well as complete the Federal Aviation Administration (FAA) clearance process which we expect to occur within Q2. We also expect to complete installation of a total of 21 microwave connections as well as completed testing on 11 of those connections. While we will still be slightly behind the baseline for this period of time, we expect to catch up within Q3 of 2011 when we begin to install our switching equipment.</p> <p>Invoicing for the work completed near the end of Q2 will assist us in realizing an increase in expenditures during Q3 due to the time required to recognize receipt of the goods and services rendered.</p>
2b.	Environmental Assessment	100	This milestone has been completed.
2c.	Network Design	72	<p>According to the guidance from the NTIA and direction from our current Federal Program Officer, our progress on this milestone is to be tracked solely on expenditures. Following that guidance, our expected percent complete is estimated at 72%</p> <p>According to our own internal methods of tracking progress based upon pre-defined items of accomplishment, we expect to have reached 95% of completion for this milestone within Q2.</p> <p>By the close of Q2 of 2011, we will have completed the design of our network to include the high and low level documentation for the switching portion of the network as well as the high level design documentation for the wireless connections. The only portion that will remain at that point will be the final low level design documentation for the wireless connections which will largely</p>

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
			depend upon our first customers. With the completion of multiple project design elements we will be in a position to begin showing expenditures for them.
2d.	Rights of Way	0	<p>According to the guidance from the NTIA and our current Federal Program Officer, our progress on this milestone is not to be tracked due to the lack of expenditures in this category. Following that guidance, our planned percent complete will remain at 0%</p> <p>According to our own internal methods of tracking progress based upon pre-defined items of accomplishment, we expect to have reached 100% of completion for this milestone within Q2.</p> <p>We anticipate receiving the final permissions documents to be returned around the close of Q2, 2011.</p>
2e.	Construction Permits and Other Approvals	0	<p>According to the guidance from the NTIA and our current Federal Program Officer, our progress on this milestone is not to be tracked due to the lack of expenditures in this category. Following that guidance, our planned percent complete will remain at 0%</p> <p>According to our own internal methods of tracking progress based upon pre-defined items of accomplishment, we expect to have reached 78% of completion for this milestone within Q2.</p> <p>We are using the Construction Permits and other approvals milestone to represent not only building permits and Federal Aviation Administration (FAA) clearances for our five towers but also the zoning permit process that is necessary at two of the towers. All building permits have been waived at the five sites receiving new towers. We expect to have acquired the remaining FAA clearance within the second quarter as well as to have worked through the process to acquire the two necessary zoning permits.</p>
2f.	Site Preparation	0	<p>According to the guidance from the NTIA and our current Federal Program Officer, our progress on this milestone is to be tracked solely on expenditures. Following that guidance, our expected percent complete is estimated at 0%.</p> <p>According to our own internal methods of tracking progress based upon pre-defined items of accomplishment, we expect to have reached 50% of completion for this milestone within Q2.</p> <p>During the second quarter of 2011, we expect to install a total of five equipment shelters upon their foundations as well as complete installation of two new self supporting radio towers within the quarter. As a result of the completion of these shelters, we will be able to show expenditures for the costs associated with these shelters bringing us to a status of 50% complete.</p>
2g.	Equipment Procurement	15	<p>According to the guidance from the NTIA and our current Federal Program Officer, our progress on this milestone is to be tracked solely on expenditures. Following that guidance, our expected percent complete is estimated at 15%.</p> <p>According to our own internal methods of tracking progress based upon pre-defined items of accomplishment, we expect to have reached 76% of completion for this milestone within Q2.</p> <p>All equipment has been ordered as of the close of Q4; however, due to the Commonwealth's policy, all equipment must be installed, tested and signed off as being complete by our office, the customer, prior to invoicing. We have included delivery and invoicing within this milestone to fully gauge equipment deployment. With that said, we expect to reach 76% of completion of this milestone by the close of Q2, 2011 with the delivery of equipment to complete a total of 21 project connections as well as the invoicing of that equipment.</p>

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2h.	Network Build (all components - owned, leased, IRU, etc.)	0	<p>According to the guidance from the NTIA and our current Federal Program Officer, our progress on this milestone is to be tracked solely on expenditures. Following that guidance, our expected percent complete is estimated at 0%.</p> <p>According to our own internal methods of tracking progress based upon pre-defined items of accomplishment, we expect to have reached 30% of completion for this milestone within Q2.</p> <p>By the close of Q2, we expect to have installed 21 of the microwave connections as well as commenced with the installation of switching equipment at ten of the sites. We anticipated the completion of two of our new self supporting radio towers near the end of the second quarter as well. While we are slightly behind the progress predicted by our baseline, we expect to close the gap significantly within the 3rd quarter of 2011 with the build of an additional two towers and five equipment shelters. As the work is completed and connections are quality assurance tested, we will be able to request invoices for these items and show additional expenditures.</p>
2i.	Equipment Deployment	15	<p>According to the guidance from the NTIA and our current Federal Program Officer, our progress on this milestone is to be tracked solely on expenditures. Following that guidance, our expected percent complete is estimated at 15%.</p> <p>According to our own internal methods of tracking progress based upon pre-defined items of accomplishment, we expect to have reached 22% of completion for this milestone within Q2.</p> <p>By the close of the second quarter, we expect to have installed equipment at 21 of the total 71 microwave connections as well as 10 of the 68 sites of switching equipment. Once all quality assurance testing is completed, we will show expenditures for these items bringing us to a status of 22% complete.</p>
2j.	Network Testing	23	<p>According to the guidance from the NTIA and our current Federal Program Officer, our progress on this milestone is to be tracked solely on expenditures. Following that guidance, our expected percent complete is estimated at 23%.</p> <p>According to our own internal methods of tracking progress based upon pre-defined items of accomplishment, we expect to have reached 15% of completion for this milestone within Q2.</p> <p>We expect to have fully tested 11 of the 71 network connections by the close of the second quarter. Once this testing is complete, we will show expenditures for these items.</p>
2k.	Other (please specify): Customer Acquisition, Support and Billing	0	<p>According to the guidance from the NTIA and our current Federal Program Officer, our progress on this milestone is to be tracked solely on expenditures. Following that guidance, our expected percent complete is estimated at 0%.</p> <p>According to our own internal methods of tracking progress based upon pre-defined items of accomplishment, we expect to have reached 50% of completion for this milestone within Q2.</p> <p>We anticipate the training portion of the asset management system to occur within the second quarter of 2011 as well as the final design of the billing/provisioning systems. The training phase of the billing/provisioning system is expected to occur sometime during the third quarter of the year followed up by implementation of both systems by the end of the quarter. As soon as items are completed to our satisfaction, we will recognize the items as received within the commonwealth's procurement and accounting system and payment will be made to the vendor.</p>

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).

One challenge anticipated within the second quarter of 2011 revolves around the weather and the effects that it has upon the ground surrounding our sites. Within the quarter we have planned multiple installations of towers and shelters which require large vehicles to deliver the equipment pieces to the site. With the melting snow and increased rain of spring, the ground is rather soft which makes movement of the trucks difficult as well as increasing the likelihood of causing damage to the dirt and stone covered roadways leading to each site. To mitigate any damage that our trucks may cause to the roadways, we have included line items in our purchase orders

to repair any and all damage and return the roads to a condition that is as least as good as when we started the project, should any damage occur. This is customary for any roadways to sites that are either dirt or stone covered. These lines will only be use where necessary.

Worth noting, the commonwealth has a strict policy of obtaining all goods and or services related to a specific line item of any of our procurements prior to payment of any invoice for such items. With that in mind, we must receive the good or service, have it tested for quality assurance purposes and sign off on a customer acceptance document in order for our vendor to invoice for the goods/services rendered. Once an invoice is received, it is paid within a thirty day period of time. The current direction from our Federal Program Officer is to gage our progress totally on expenditures which differs from the progress gaged in our baseline report as well as all of our previous project Performance Progress Reports. We have tried our best to comply with this request as well as continue to document our progress by items completed which we feel is a more accurate representation of attained progress.

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	\$152,575	\$0	\$152,575	\$191,696	\$0	\$191,696
b. Land, structures, right-of-ways, appraisals, etc.	\$5,497,900	\$5,303,410	\$194,490	\$666,873	\$666,873	\$0	\$821,088	\$821,088	\$0
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	\$305,374	\$40,234	\$265,140	\$848,980	\$0	\$848,980
e. Other architectural and engineering fees	\$495,125	\$0	\$495,125	\$168,720	\$0	\$168,720	\$347,710	\$0	\$347,710
f. Project inspection fees	\$1,763,200	\$0	\$1,763,200	\$0	\$0	\$0	\$343,828	\$0	\$343,828
g. Site work	\$7,603,025	\$0	\$7,603,025	\$0	\$0	\$0	\$1,052,001	\$0	\$1,052,001
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$2,736,593	\$560,077	\$2,176,516	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$12,005,450	\$1,332,516	\$10,672,934	\$0	\$0	\$0	\$1,835,868	\$393,743	\$1,442,125
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$35,980,017	\$7,196,003	\$28,784,014	\$1,293,542	\$707,107	\$586,435	\$5,441,171	\$1,214,831	\$4,226,340
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$35,980,017	\$7,196,003	\$28,784,014	\$1,293,542	\$707,107	\$586,435	\$5,441,171	\$1,214,831	\$4,226,340

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