

RECIPIENT NAME:Critical Hub Networks, Inc

AWARD NUMBER: NT10BIX5570018

DATE: 02/24/2011

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

NT10BIX5570018

3. DUNS Number

014409657

4. Recipient Organization

Critical Hub Networks, Inc 1314 Ponce De Leon Ave.
Ste. 400, San Juan, PR 00907-4047

5. Current Reporting Period End Date (MM/DD/YYYY)

12-31-2010

6. Is this the last Annual 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

Karen Elizabeth Larson

Vice President

7c. Telephone (area code, number and extension)

7877289000

7d. Email Address

kmarazzi@caribe.net

7b. Signature of Certifying Official

Submitted Electronically

7e. Date Report Submitted (MM/DD/YYYY):

02-24-2011

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	We have yet to deploy services. However, total project expenditures to date were \$27,061,970 for 3901 miles, for an average cost per new mile of \$6,937.19
Average cost per household passed (Last Mile)	0	N/A
Average cost per subscriber (Last Mile)	0	N/A
Maximum broadband speed advertised (Middle Mile)	0	We have yet to activate services. However, we plan to offer transit speeds up to 1Gbps to last mile providers.
Maximum broadband speed advertised (Last Mile)	0	N/A
Average broadband speed provided (Middle Mile)	0	Currently there are no interconnected networks utilizing the services.
Average broadband speed provided (Last Mile)	0	N/A

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
PR-NAP	Fiber (Submarine Cable)	Municipio de San Juan, PR	7212721
NAP of the Americas	Fiber (Submarine Cable)	Miami-Dade County, Florida	1208637.02

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)

As of 12/31/2010, PRBI has not activated services. Five contracts have been signed with last mile providers. We anticipate activating services for some of these signed contracts in the next quarter. Some of the providers are in the process of constructing the middle mile to the PRBI interconnection point, which will delay the activation of services until that is completed. We are working with 12 potential interconnection clients. Due to competitive purposes, the names of the providers who have signed agreements will be released upon successful activation of interconnection. We have not denied any request for interconnection.

Peering and Transit Agreements (600 words or less)

N/A

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)	0	Public Housing	0
Libraries	0	Other Institutions of Higher Education	0
Medical and Healthcare Providers	0	Other Community Support Organizations	0
Public Safety Entities	0	Other Government Facilities	0
Community Colleges	0	Total Community Anchor Institutions	

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).

As of 12/31/2010, we are still testing the PR-FL facilities and have not officially activated services.

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:

The PRBI project does not provide retail services. PRBI provides middle-mile transit and peering services to broadband service providers. In addition, PRBI will also provide peering services to Critical Community Anchor Institutions and Government Agencies.

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)?

7a. Network management policies regarding the new transit & peering services for service providers are still in development as we are still in testing and are finalizing the network architecture & design, which must be completed first.

7b. Critical Hub Networks generally provides best effort forwarding of all IP traffic. Exceptions to best effort forwarding are limited to the following: (a) forwarding of traffic explicitly tagged as "less than best effort" by the end-user, offering a priority of traffic forwarding that is less than best effort to support researchers that choose a lower class of service when they transfer large data sets which are insensitive to loss or latency. (b) MPLS traffic engineering is sometimes used to differentially route "managed high-speed service" traffic from commercial peering or commodity traffic for the purpose of load balancing traffic among backbone resources. (c) measures to address distribution of harmful viruses or spam, denial of service attacks, and other harmful activities following customer notification of violations of our Acceptable Usage Policy.

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
15,604	0	15,604	0	0	0	0

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

N/A

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
8,000	150	4,602	1,117

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).
 N/A

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).
 Critical Hub Networks, Inc. is itself a Socially and Economically Disadvantaged Small Business (SBD) concern. In addition, funds have been expended to the following SDB's: Computer Paradise, Fire Control Corporation, JAS Corporation, International Hardware Inc.

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

- Maintain, regularly review all award documents including NOFA, CD450, SAC, Budget, BTOP Recipient Master Checklist of Activities.
- Keep your Grant File up-to-date.
- Regular logins to PAM & GOL.
- Regular communication with NTIA & NOAA staff is essential to ensure that project stays on course and nobody has any surprises. And, if you have any doubts, always ask.
- Ensure all SAC requirements, including BAA, Davis Bacon, are properly included in procurement documents such as PO's, RFP/ RFQ, and any contractor agreements.
- Start all required reporting early, and participate in drop-in calls to address questions. Often other recipients catch minor details that you may miss - its a great way to ensure that you are reporting correctly!
- Designate a compliance officer who is dedicated to ensuring project compliance, budgeting, and maintenance of contemporaneous records.
- Finding experienced, qualified staff can be a challenge. Hire early. Anticipate training requirements.