

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 NT10BIX5570102	3. DUNS Number 122452563
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4. Recipient Organization University of Arkansas System 4301 W. Markham St, ST63, Little Rock, AR 72205-7101
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5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2010	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 Suzanne Alstadt	7c. Telephone (area code, number and extension) X
	7d. Email Address sealstadt@uams.edu

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 01-27-2011
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Project Indicators (This Quarter)

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

This project will integrate isolated community anchor networks to expand the broadband capabilities and geographic reach of the Arkansas Telehealth Oversight & Management (ATOM) Network—a group of community anchor institutions with limited bandwidth and equipment that offer healthcare, higher education, public safety, and research services—and the Arkansas Research & Education Optical Network (AREON), the state’s only public-owned fiber optic network currently serving four-year universities. This project will permit high-speed delivery and transmission of the following broadband benefits at the 474 “integrated network” sites.

In Project Quarter 2 of this project, the following activities were undertaken or accomplished to meet the mission described above:

- * Two qualified contractors were selected through Requests for Proposals (RFPs) to respectively design the leased and fiber networks. The network designs are now in their earliest stages of development.
- * An engineering firm was selected via a Request for Qualifications (RFQ) to perform an Environmental Assessment (EA) of leased and fiber routes. The engineering firm began route and prefab site planning in parallel with the EA.
- * Indefeasible Rights of Use (IRU) fiber routes were selected through an RFP process and are being employed to make the most efficient use of existing resources to expand the fiber network.
- * A construction management firm was selected through an RFQ process to act as the general contractor for the construction of fiber and prefab site preparation.
- * Five project employees were hired to deploy the project: 2 Program Managers, and 3 Video Information Technology staff.
- * Representatives from the University of Arkansas System attended a National Telecommunications and Information Administration-sponsored Broadband Technology Opportunities Program (BTOP) applicant workshop in Washington DC to meet grant officials and learn about reporting requirements.
- * A project-specific BTOP website was launched on the University of Arkansas System website, making available project information and current project announcements to the general public.
- * An \$8 million portion of the project match was secured for the project by Uniform Commercial Codes filings of selected in-kind match items.

The sum of these activities contribute to the planning period of the grant, allowing the University of Arkansas System to prepare the personnel, information, and resources necessary to effectively implement the proposed project. At the end of the three-year grant period, all 474 sites will function on an “integrated network” fusing ATOM and ARE-ON sites, benefiting from the following BTOP deliverables:

- Substantial bandwidth upgrades
 - Significant network expansion
 - Interactive video equipment additions
 - Public computer additions
- Fully available after grant funding ends, these deliverables will provide the tools needed to enable participation in activities that once were only limitedly available in Arkansas, if at all.

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	0	The Baseline Report assumed IRUs would have been in place by the end of the fourth quarter of 2010, but those negotiations are still on-going at this time. We anticipate completing Indefeasible Rights of Use (IRU) agreements in the the first reporting of 2011. Without those agreements, our expenditures were a fraction of a percent.
2b.	Environmental Assessment	0	The Baseline Report assumed that UAMS would have received an invoice from the contracted engineering firm undertaking development of the EA. However, though the contractor had almost completed the Environmental Assessment (EA) as of the close of the fourth quarter of 2010, UAMS did not receive an invoice during this time. The EA is now complete and submitted in the first quarter of 2011, so payment for the EA should be forthcoming in the next quarter.
2c.	Network Design	0	---
2d.	Rights of Way	0	---

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2e.	Construction Permits and Other Approvals	0	---
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	0	---
2h.	Network Build (all components - owned, leased, IRU, etc)	0	The Baseline Report assumed IRUs would have been in place by the end of the fourth quarter of 2010, but those negotiations are still on-going at this time. We anticipate completing IRU agreements in the first reporting of 2011.
2i.	Equipment Deployment	0	The UAMS grant contributes a large amount of in-kind equipment toward its match amount. The Baseline Report reflected this match contribution proportional to the expenses we anticipated at the time, as indicated above: Purchase of IRUs and Payment of EA services. Without those expenditures, our match contributions were a fraction of a percent.
2j.	Network Testing	0	---
2k.	Other (please specify):	0	The Baseline Report assumed about 1% of the "other" category to be complete due to payment of salaries of personnel scheduled to start employment within the fourth quarter of 2010. However, most of these employees started very late within the fourth quarter of 2010, while others commenced employment in the first quarter of 2011. Due to a later start than expected, their salaries did not require as much funding during the course of the fourth quarter of 2010. These salaries are now active in the first quarter of 2011.

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).

The shifting of our timing in negotiating the IRUs caused the biggest deviation from our initial baseline. This deviation is contributed to complexities resident in the contract approval process in the State of Arkansas. The University of Arkansas System must follow State Purchasing regulations requiring specific timelines, then issue and evaluate appropriate Requests for Proposals. Following contractor selection, the proposed contract must be approved by the University of Arkansas Board of Trustees, then receive approval from the Legislative Council. The organizations at the center of each step meet independently, spread over a prolonged series of months resulting in meetings scheduled after the closing date of Q1. These regulatory steps caused a slight change in timing that should have no material impact on our overall project, as we anticipate completing IRU agreements next quarter. The BTOP program has provided very good technical assistance, and the UAMS project is progressing at an appropriate speed as we await the review and approval of the Environmental Assessment.

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	0	---
New network miles leased	0	---
Existing network miles upgraded	0	N/A
Existing network miles leased	0	The Baseline Report "existing network miles leased" represented IRU miles. The Baseline Report assumed IRUs would have been in place by the end of the fourth quarter of 2010, but those negotiations are still on-going at this time. We anticipate completing IRU agreements in the the first reporting of 2011.
Number of miles of new fiber (aerial or underground)	0	---
Number of new wireless links	0	N/A
Number of new towers	0	N/A

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Number of new and/or upgraded interconnection points	0	---

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: 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: N/A

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 third party operates (600 words or less).

UAMS has one subrecipient that will operate a portion of the BTOP-funded network: the Arkansas Research and Education Optical Network. This portion includes the publicly owned fiber network connecting the state's four-year universities and two-year colleges to high speed fiber optic services, including 33 total sites. ARE-ON is a state-supported entity. The subrecipient's contact information appears below:

Arkansas Research and Education Optical Network (ARE-ON)
Michael D. Abbiatti, Executive Director
155 S. Razorback Road
Fayetteville, AR 72101
479-575-3901

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
	Providers with signed agreements receiving improved access	0	N/A
	Providers with signed agreements receiving access to dark fiber	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	The Baseline Report assumed 8 "total subscribers served" would be active during the fourth quarter of 2010 as made possible through IRUs that were assumed to be placed by the end of the fourth quarter. However, as previous sections indicated, the IRUs were not purchased during the fourth quarter of 2010. These subscribers will be served once the IRUs are purchased.
	Subscribers receiving new access	0	---
	Subscribers receiving improved access	0	Please see explanation above in "total subscribers served." The "subscribers receiving improved access" were assumed to benefit from IRUs; however, these connections were not in place during the fourth quarter of 2010. These subscribers will be served once the IRUs are purchased.
	Please identify the speed tiers that are available and the number or subscribers for each	0	Please see explanation above in "total subscribers served." The "subscribers receiving improved access" were assumed to benefit from IRUs; however, these connections were not in place during the fourth quarter of 2010. These subscribers will be served once the IRUs are purchased.
Residential / Households	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Businesses	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A

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

N/A

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).
 The first quarter of 2011 is anticipated to include several significant steps toward project completion. Most notably, the Environmental Assessment (EA) will be completed and submitted to the National Telecommunications and Information Administration (NTIA) for review and comment by the federal reviewers. While this process holds some unknown factors on the timing and rigidity of the review, UAMS anticipates obtaining a "Finding of No Significant Impact" (FONSI), which will enable the project to move forward to its implementation and deployment phases. While UAMS has been preparing for such a finding, many of its systems are on hold until the FONSI is declared. Once the project is approved to proceed, the grants team (consisting of Project Director, managers, coordinators, technologists, and other UAMS directors) will publish Requests for Proposals (RFPs) for the project's leased circuits and telemedicine equipment. These RFPs will be released as soon as available, possibly during the first quarter of 2011; however selection of vendors is scheduled for the second quarter of 2011. As discussed earlier, Infeasible Rights of Use (IRUs) have been bid out in the previous quarter and many will be selected in the first quarter of 2011. We have also identified the possibility that more IRUs will be added in future quarters as providers complete additional fiber construction, an act that will allow UAMS to maximize available resources and employ additional vendors to further stimulate the economy. UAMS anticipates hiring the remaining personnel comprising its full-time-equivalent (FTE) employees. With the full project management staff on hand, UAMS can move towards full implementation of the proposed activities. If the EA is approved in the first quarter of 2011, two components of the network can be deployed: 1) The Home Healthcare portion of the network can receive the telemedicine equipment necessary to begin expansion of operations; and 2) The Public Safety Emergency Medical Services portion of the network can receive the telemedicine equipment needed to launch broadband-enabled interactive video consultations within Little Rock's partnering ambulances. In all, once the Environmental Assessment receives a favorable finding for implementation, the project will begin to reach its momentum in the upcoming quarter and to only increase as future quarters unfold.

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	7	---
2b.	Environmental Assessment	100	---
2c.	Network Design	75	---
2d.	Rights of Way	0	---
2e.	Construction Permits and Other Approvals	0	---
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	4	---
2h.	Network Build (all components - owned, leased, IRU, etc.)	8	---
2i.	Equipment Deployment	10	---
2j.	Network Testing	0	---
2k.	Other (please specify):	3	---

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).

As highlighted above, the projected progress and degree of completion are primarily dependent on receiving a FONSI for the EA, thus receiving clearance from NTIA to move forward with project implementation. At present, UAMS estimates the EA will be commented upon, revised as needed, and approved by the end of February, allowing another month within the first quarter of 2011 to begin project implementation activities. If the EA process requires more time than estimated, there is a great potential the planned project progress will be delayed accordingly into subsequent quarters.

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	\$10,709,094	\$88,400	\$10,620,694	\$70,132	\$0	\$70,132	\$583,157	\$0	\$583,157
b. Land, structures, right-of-ways, appraisals, etc.	\$10,711,692	\$9,851,632	\$860,060	\$0	\$0	\$0	\$40,474	\$0	\$40,474
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$2,172,357	\$0	\$2,172,357	\$0	\$0	\$0	\$406,737	\$0	\$406,737
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	\$28,195,212	\$0	\$28,195,212	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$43,605,098	\$15,998,347	\$27,606,751	\$18,163	\$18,163	\$0	\$3,243,231	\$1,724,106	\$1,519,126
k. Miscellaneous	\$33,188,367	\$512,048	\$32,676,319	\$0	\$0	\$0	\$4,107,688	\$0	\$4,107,688
l. SUBTOTAL (add a through k)	\$128,581,820	\$26,450,427	\$102,131,393	\$88,295	\$18,163	\$70,132	\$8,381,287	\$1,724,106	\$6,657,182
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$128,581,820	\$26,450,427	\$102,131,393	\$88,295	\$18,163	\$70,132	\$8,381,287	\$1,724,106	\$6,657,182

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