QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Award Identification Number	3. DUNS Number
Department of Commerce, National Telecommunications and Information Administration	NT10BIX5570108	957995392

4. Recipient Organization

Central Management Services, Illinois Department of 120 W Jefferson St, FL 2, Springfield, IL 62702-5103

5. Current Reporting Period End Date (MM/DD/YYYY)	6. Is this the last Report of the Award Period?
12-31-2010	◯ 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	7c. Telephone (area code, number and extension)
Lori Sorenson	X
	7d. Email Address
	lori.sorenson@illinois.gov

7b. Signature of Certifying Official	7e. Date Report Submitted (MM/DD/YYYY):
Submitted Electronically	02-18-2011

Project Indicators (This Quarter)

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

The major focus this quarter has been on re-baseline the project timeline and completing the Environmental Assessment. The revised project timeline was submitted and approved establishing quarterly milestones over the next three years. The project procured the services of a professional engineering vendor for the Environmental Assessment and detailed network design. The project completed requisite notifications to the State Historical Preservation Office, US Fish and Wildlife, Army Core of Engineers, and Indian Tribes.

The project team and engineering vendor have engaged the Illinois Department of Transportation to begin the permitting process.

The project procured the services of a wireless consultant to assess the locations and specific needs for wireless towers as identified within the network design. A project manager and administrative assistant were also hired to support work activity of the sub-recipient.

The project team hosted a number of informational meetings with the proposed direct connect Community Anchor Institutions and introduced a monthly project update distributed to more than 6,000 individuals representing Community Anchor Institutions as well as other interested parties. This monthly update is also posted on the project website at www.illinois.net/IBOP.htm.

As project performance is measured on a cash-basis, performance remains 0 as the invoice/payment cycle lags services/equipment delivered by 30-60 days. We expect the payment cycle to begin in January 2011.

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	No variance
2b.	Environmental Assessment	0	Work started. On track to submit by Jan. 31.
2c.	Network Design	0	Work started
2d.	Rights of Way	0	No variance
2e.	Construction Permits and Other Approvals	0	NA. Costs are included in 2h Network Build.
2f.	Site Preparation	0	No variance
2g.	Equipment Procurement	0	Lab equipment ordered.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	Several fiber IRUs in negotiations. Drafting RFPs for other leases and construction.
2i.	Equipment Deployment	0	No variance
2j.	Network Testing	0	NA. Using existing staff not charged to project plus contractual resources reported in 2k Other.
2k.	Other (please specify): Administrative	1	Project staff

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).

Work on the Environmental Assessment started later than anticipated due to delays in executing the contract with the professional engineering vendor. Project staff and the vendor worked diligently on pre-engagement planning to ensure a rapid start. As a result, the draft Environment Assessment is on track to be submitted prior to the deadline.

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	No variance
New network miles leased	0	No variance
Existing network miles upgraded	0	No variance
Existing network miles leased	0	No variance
Number of miles of new fiber (aerial or underground)	0	No variance
Number of new wireless links	0	No variance
Number of new towers	0	No variance
Number of new and/or upgraded interconnection points	0	No variance

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:
Since construction has yet to begin, there are no signed provider agreements. The project team is in the discovery phase of discussions with several providers.

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:
Since construction has yet to begin, there are no services currently being offered. Once operational, the network will offer the following services: Dark Fiber, Lambda/Wave Services, Ethernet Services ranging in speeds of 10 MB to 10 GB, and Internet services.

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).
NA

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	Since construction has yet to begin, there are no subscribers at this time.
	Providers with signed agreements receiving improved access	0	Since construction has yet to begin, there are no subscribers at this time.
	Providers with signed agreements receiving access to dark fiber	0	Since construction has yet to begin, there are no subscribers at this time.

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	Once operational, the network will offer the following services: Dark Fiber, Lambda/Wave Services, Ethernet Services ranging in speeds of 10 MB to 10 GB, and Internet services.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Since construction has yet to begin, there are no subscribers at this time.
	Subscribers receiving new access	0	Since construction has yet to begin, there are no subscribers at this time.
	Subscribers receiving improved access	0	Since construction has yet to begin, there are no subscribers at this time.
	Please identify the speed tiers that are available and the number or subscribers for each	0	Once operational, the network will offer the following services: Dark Fiber, Lambda/Wave Services, Ethernet Services ranging in speeds of 10 MB to 10 GB, and Internet services.
Residential / Households	Entities passed	0	NA - Last Mile services are not included within the project.
	Total subscribers served	0	NA - Last Mile services are not included within the project.
	Subscribers receiving new access	0	NA - Last Mile services are not included within the project.
	Subscribers receiving improved access	0	NA - Last Mile services are not included within the project.
	Please identify the speed tiers that are available and the number of subscribers for each	0	NA - Last Mile services are not included within the project.
Businesses	Entities passed	0	Since construction has yet to begin, there are no subscribers at this time.
	Total subscribers served	0	Since construction has yet to begin, there are no subscribers at this time.
	Subscribers receiving new access	0	Since construction has yet to begin, there are no subscribers at this time.
	Subscribers receiving improved access	0	Since construction has yet to begin, there are no subscribers at this time.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Once operational, the network will offer the following services: Dark Fiber, Lambda/Wave Services, Ethernet Services ranging in speeds of 10 MB to 10 GB, and Internet services.

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

NA

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

8b. If so, please describe the changes (300 words or less).

NA

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
None at this time	None at this time	None at this time	None at this time	None at this time

Project Indicators (Next Quarter)

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

During the next reporting period the project team plans to submit the Environment Assessment and receive a Finding of No Significant Impact (FONSI) clearing the way to begin construction activities. Once the FONSI is received, the project will begin splicing activities on leased fiber and begin preparations to move lab equipment to the field for this leased fiber.

The project team plans to issue a Request for Proposals for construction contractors and outside plant materials. Other procurement activities include finalizing agreements for 40% of the leased fiber miles and purchasing miscellaneous testing tools, wireless bridges, and office equipment. The technical team will complete the lab testing of optical equipment and continue staff training on services, equipment and fiber. The project team will begin review of existing customer forms and agreements and identify revisions needed to support the new service offerings and customer base.

The architectural and engineering vendor will continue to work on the detailed design, construction specifications, and requests for right-of-ways and easements. The construction specifications will be developed on a segment-by-segment basis to enable construction activities to begin on a rolling basis.

The Sub Recipient will be working to secure final agreements with 40+ partners and begin collecting funds pledged for the local match.

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	3	No variance
2b.	Environmental Assessment	100	No variance
2c.	Network Design	15	No variance
2d.	Rights of Way	2	No variance
2e.	Construction Permits and Other Approvals	0	NA - included in 2h Network Build
2f.	Site Preparation	1	No variance
2g.	Equipment Procurement	8	No variance
2h.	Network Build (all components - owned, leased, IRU, etc.)	0	No variance
2i.	Equipment Deployment	0	No variance
2j.	Network Testing	0	NA. Using existing staff not charged to project plus contractual resources reported in 2k Other.
2k.	Other (please specify): Administrative	6	No variance

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).

Given the size and scope of the project, receiving a FONSI by the end of the next quarter is critical to meeting the project's overall milestones. The greatest risk to securing the FONSI within the next quarter rests with obtaining approval from the State Historic Preservation Officer (SHPO). The SHPO has requested engagement of an archaeological consultant to perform a literature search of the proposed fiber route. This search has been completed and is under review by the SHPO. It is anticipated that the SHPO will request a cultural survey for portions of the planned fiber route. However, the SHPO has indicated a willingness to enter into a programmatic agreement to allow construction activities to begin on a restricted basis pending completion of the cultural survey. If the FONSI is delayed, the immediate impact will be limited to lighting an existing fiber route and preparation activities in network Points of Presence and collocation facilities. If the FONSI is delayed past June it will impact the start of construction activities which will impact the overall project deadline. Based on ongoing discussions with the SHPO the project team believes there is minimal risk of a delay beyond a few weeks.

As always, timely procurements are essential to staying on task. A key procurement activity for next quarter is the release of bid requests for construction and outside plant materials (conduit and fiber optic cabling).

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.

Cost Classification	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		
	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	$2,428,175	$222,637	$2,205,538	$6,359	$6,359	$0	$132,151	$24,912	$107,239
b. Land, structures, right-of-ways, appraisals, etc.	$1,862,000	$1,512,000	$350,000	$0	$0	$0	$0	$0	$0
c. Relocation expenses and payments	$0	$0	$0	$0	$0	$0	$0	$0	$0
d. Architectural and engineering fees	$5,266,954	$0	$5,266,954	$0	$0	$0	$1,540,211	$0	$1,540,211
e. Other architectural and engineering fees	$600,000	$0	$600,000	$0	$0	$0	$0	$0	$0
f. Project inspection fees	$124,800	$0	$124,800	$0	$0		$11,232	$0	$11,232
g. Site work	$1,050,000	$0	$1,050,000	$0	$0	$0	$34,570	$0	$34,570
h. Demolition and removal	$0	$0	$0	$0	$0	$0	$0	$0	$0
i. Construction	$63,338,112	$30,000,000	$33,338,112	$0	$0	$0	$0	$0	$0
j. Equipment	$11,275,418	$538,950	$10,736,468	$0	$0	$0	$905,197	$0	$905,197
k. Miscellaneous	$10,436,569	$2,213,159	$8,223,410	$0	$0	$0	$49,000	$0	$49,000
l. SUBTOTAL (add a through k)	$96,382,028	$34,486,746	$61,895,282	$6,359	$6,359	$0	$2,672,361	$24,912	$2,647,449
m. Contingencies	$0	$0	$0	$0	$0	$0	$0	$0	$0
n. TOTALS (sum of l and m)	$96,382,028	$34,486,746	$61,895,282	$6,359	$6,359	$0	$2,672,361	$24,912	$2,647,449

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