

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

**General Information**

<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b>  Department of Commerce, National Telecommunications and Information Administration	<b>2. Award Identification Number</b>  NT10BIX5570135	<b>3. DUNS Number</b>  961890741
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**4. Recipient Organization**  
  
 Information Technology, Maryland Department of 45 Calvert Street, Annapolis, MD 21401-1994

<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  12-31-2010	<b>6. Is this the last Report of the Award Period?</b>  <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.

<b>7a. Typed or Printed Name and Title of Certifying Official</b>  David Piccoli  Program Manager	<b>7c. Telephone (area code, number and extension)</b>  4105902032
	<b>7d. Email Address</b>  dpiccoli@skylinenet.net

<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  04-29-2011
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**Project Indicators (This Quarter)**

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

The following are the main accomplishments this reporting period along with some major key milestones:

The submission of the program-wide Environment Assessment draft before the March 1, 2011 deadline. This major milestone will lead to the eventual receipt of the Finding of No Significant Impact (FONSI) which allows the program to begin construction.

Letters of concurrence and consultation were obtained from the required environmental agencies, such as Maryland Department of the Environment (MDE), Department of Natural Resources (DNR), US Fish and Wildlife (USFWS), Army Corps of Engineers (USACE), and Maryland Historical Trust. Additionally, follow up meetings with the MDE and USACE were held to define and refine how the program will submit permit applications in a manner that will not overwhelm the permitting agencies, while ensuring we meet their requirements.

Additionally, the Memorandum of Understanding (MOU) with of the Sub-Recipient; Howard County representing the Inter-County Broadband Network (ICBN) was concluded. Also work has begun in reaching out to the state, county, and municipal right of way (ROW) owners to inform them of the project scope and solicit any special requirements they may have for construction permitting. All utility companies have been contacted where Aerial Construction is planned, this includes Pepco Power, Choptank Electric, SMECO, Hagerstown City Light, Allegany Power, Verizon, BG&E, and Delmarva Power. Agreements with some utility companies are in the final review phases.

The Fiber Optic Cable RFP was publicly issued and is in the award process. An RFP for logistics and construction materials has been developed and publicly issued. RFP's for construction and engineering design services are in the final stages of development. A small and minority business program has been established for construction vendors in advance of the release of the construction RFP's. Two vendor fairs were held, as well as multiple presentations to smaller groups. Detailed field engineering has begun. The development and distribution of RFP's for both the engineering services and fiber construction materials were released for public bid. All RFPs have been posted on Maryland eMarketplace. Detailed field engineering has also begun.

This quarter also saw the completion of the staffing of the core program/project management, grant administrative, procurement, legal, and marketing resources.

**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	1	The total expenditure of \$1,105,572.25 of both the Federal and recipient share expenditures. See explanation in section 2k below.
2b.	Environmental Assessment	100	N/A
2c.	Network Design	3	N/A
2d.	Rights of Way	3	N/A
2e.	Construction Permits and Other Approvals	0	Did not meet our 3% this reporting period but many permits are in process.
2f.	Site Preparation	0	Our target of 17% was not met this quarter since we had not yet received the FONSI required for construction.
2g.	Equipment Procurement	0	Our target of 12% was not met due to delays in the preparation of procurement RFP's, which was necessary to ensure that we follow all Federal Procurement guidelines. We are confident that we are able to cumulatively meet our milestone over the next reporting cycles.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	Our target of 3% was not met this quarter since we had not yet received the FONSI required for construction.
2i.	Equipment Deployment	0	N/A

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2j.	Network Testing	0	N/A
2k.	Other (please specify): Administration	16	Our target of 19% was not obtained since most of the support staff came onboard over the this reporting quarter due to delays in hiring during the holiday season of the previous quarter.

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).

For other BTOP projects, particularly those involving multiple government recipients and sub recipients over a large geographic area, we offer the following best practices:

- 1) Reach out early to permitting authorities to creating awareness of the scale, scope and timing of project. Solicit permitting authority needs, and coordinate application submission logistics. This includes Right of Way owners, utility pole owners, and utility locators.
- 2) Closely coordinate with your Federal Program Officer on all challenges.
- 3) Reach out to the vendor community via a vendor fair to ensure open and competitive procurement, as well as to efficiently disseminate relevant information regarding Program requirements, limitations, and opportunities
- 4) Meet with all stakeholders early to establish recurring touch points to leverage their support with permitting regulatory issues, and ensure a proper understanding of financial requirements and eligible uses of Federal funds.
- 5) Centralize accounting and reporting functions among multiple sub recipients to the greatest degree possible, thereby leveraging economies of scale for expert resources required and minimizing the risk of errors.

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	None were planned for this reporting quarter
New network miles leased	0	N/A
Existing network miles upgraded	0	N/A
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	0	None were planned for this reporting quarter
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	None were planned for this reporting quarter

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	3
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:  
None were planned for this reporting quarter.

**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 this third party operates (600 words or less).**  
N/A

**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)
<b>Broadband Wholesalers or Last Mile Providers</b>	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	Baseline indicated 2, we are still in the process of negotiating
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
<b>Community Anchor Institutions (including Government institutions)</b>	Total subscribers served	0	None were planned this reporting quarter
	Subscribers receiving new access	0	None were planned this reporting quarter
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number or subscribers for each	0	N/A
<b>Residential / Households</b>	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
<b>Businesses</b>	Entities passed	0	N/A
	Total subscribers served	0	N/A

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	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
0	0	0	0	N/A

**Project Indicators (Next Quarter)**

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

RFP-Fiber: Award(s) made and contract ratified.

RFP-Logistics: The Proposals have been received and are being reviewed. Contract to be awarded next quarter.

RFP-Construction: The Proposals have been received and are being reviewed. Multiple contracts will be awarded.

Outside Plant Engineering: An RFP will be finalized, publicly issued, and multiple contracts awarded.

MOU:

- 1) Signed Memorandum Of Understanding (MOU) with Maryland Depart of IT and the Maryland Broadband Cooperative (MdBC)
- 2) Signed Memorandum Of Understanding (MOU) between sub recipient Howard county (ICBN) and its 9 participating jurisdictions
- 3) Signed IRU between DoIT and MdBC

Permitting: Begin submitting permits State Highway Administration (SHA) , county departments of public works, along with US Army Corps of Engineers (USACE) and Maryland Department of Environment (MDE) to jointly make approvals in the single permit application for all of OMBN thus allowing a continual build out of the One Maryland Broadband Network project with minimal delays in permitting process.

FONSI: Final award of the FONSI (Finding Of No significant Impact) which allows the program to begin construction.

Utility Companies: Signed agreements with most if not all utility companies for aerial pole attachments where aerial construction is planned, this may include Pepco Power, Choptank Electric, Hagerstown City Light, Allegany Power, Verizon, BG&E, and Delmarva Power.

Fiber Procurement: The initial procurement of fiber from the various suppliers program wide.

Equipment Procurement: The Initial equipment purchases utilizing the match & grant vehicles.

**\*\*BEGIN CONSTRUCTION\*\***

**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	15	N/A
2b.	Environmental Assessment	100	N/A
2c.	Network Design	18	N/A
2d.	Rights of Way	18	N/A
2e.	Construction Permits and Other Approvals	18	N/A
2f.	Site Preparation	67	N/A
2g.	Equipment Procurement	16	N/A
2h.	Network Build (all components - owned, leased, IRU, etc.)	9	N/A
2i.	Equipment Deployment	12	N/A
2j.	Network Testing	12	N/A
2k.	Other (please specify): Administration	28	N/A

**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).**

The following issues may cause some challenges,

- 1)Fiber Delivery: Japan’s natural disaster could impact the fiber optic cable supply chain and may cause delivery delays.
- 2)Pole Agreements: Delays in obtaining signed pole attachment agreements among numerous program participants and multiple utility companies requires complex legal negotiations that could delay engineering and permitting in some participating jurisdictions.
- 3)Permitting: Staging and submitting permitting application in a way that will not overwhelm the staffs of applicable permitting authorities and delay issuance the permits will continue to present challenges in some cases where the magnitude of this project will require beyond normal workloads for some permitting agencies.

**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	\$12,479,100	\$7,394,000	\$5,085,100	\$778,136	\$320,980	\$457,156	\$2,373,155	\$646,796	\$1,726,359
b. Land, structures, right-of-ways, appraisals, etc.	\$1,350,000	\$0	\$1,350,000	\$0	\$0	\$0	\$225,000	\$61,323	\$163,677
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$15,550,369	\$5,039,020	\$10,511,349	\$157,905	\$0	\$157,905	\$2,239,049	\$610,246	\$1,628,803
e. Other architectural and engineering fees	\$6,109,850	\$2,869,099	\$3,240,751	\$169,531	\$0	\$169,531	\$582,635	\$158,795	\$423,840
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	\$93,402,141	\$18,671,661	\$74,730,480	\$0	\$0	\$0	\$2,802,064	\$763,694	\$2,038,370
j. Equipment	\$29,211,582	\$8,888,681	\$20,322,901	\$0	\$0	\$0	\$3,505,390	\$955,384	\$2,550,006
k. Miscellaneous	\$313,479	\$313,479	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>l. SUBTOTAL (add a through k)</b>	\$158,416,521	\$43,175,940	\$115,240,581	\$1,105,572	\$320,980	\$784,592	\$11,727,293	\$3,196,238	\$8,531,055
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>n. TOTALS (sum of l and m)</b>	\$158,416,521	\$43,175,940	\$115,240,581	\$1,105,572	\$320,980	\$784,592	\$11,727,293	\$3,196,238	\$8,531,055

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
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