

RECIPIENT NAME:  
AWARD NUMBER:  
DATE:

OMB CONTROL NUMBER: 0660-0037  
EXPIRATION DATE: 12-31-2010

### QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information		
<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b> U.S. Department of Commerce National Telecommunications Infrastructure Agency (NTIA)	<b>2. Award Identification Number</b> NT10BIX5570017	<b>3a. DUNS Number</b> 188655898
		<b>3b. EIN</b> 236003107
<b>4. Recipient Organization (Name and complete address including country, congressional district, and zip code)</b> Executive Office of the Commonwealth of Pennsylvania (Office of Administration) 225 Capitol Building Harrisburg PA 17120-0001 USA		
<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b> 06/30/2010	<b>6. Is this the last Report of the Award Period?</b> <input type="radio"/> Yes <input checked="" type="radio"/> No	
<b>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>		
<b>7a. Typed or Printed Name and Title of Certifying Official</b> Charles Brennan Deputy Secretary for Public Safety Radio Office of Public Safety Radio Services, Office of Administration Commonwealth of Pennsylvania	<b>7c. Telephone (area code, number and extension)</b> 717-772-8005	
		<b>7d. Email Address</b> chabrennan@state.pa.us
<b>7b. Signature of Certifying Official</b> Charles Brennan, 7/30/2010 11:48 AM	<b>7e. Date Report Submitted (MM/DD/YYYY):</b> 07/30/2010	

**Project Indicators (This Quarter)**

**1. Please describe significant project accomplishments completed during this quarter (150 words or less).**  
 During the 2Q of 2010, The Commonwealth of Pennsylvania focused on completing the environmental assessment needed to comply with NEPA and to satisfy the special award condition. In the process, the commonwealth undertook detailed design activities for the network, including site plans for the 15 sites that require communication tower and telecommunication shelters, and technical as-built documentation for all other sites in the design. Design sessions were also conducted for the network operating support solution and customer service solution. Purchase orders were issued to Professional Services Inc, for the environmental assessment, to Harris Corporation for a customer market analysis in Northern PA, and to Alcatel-Lucent Corporation for preliminary site plans and network design. The Commonwealth attended the Broadband workshop in Chicago, IL. The commonwealth hired two employees toward the end of the quarter to support grant compliance and project management.

**2. Please provide the percent complete for the following key milestones in your project. Write "N/A" in the second 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 (100 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	
2b.	Environmental Assessment	90	As of July 2010, all responses have been provided. will be marked 100% when FONSI is received.
2c.	Network Design	60	Commonwealth needs to submit one minor change on microwave backbone. We have planned for 43 point to point and point to multi-point wireless connections to anchor institutions and last mile providers. Although a preliminary design included an array of 110 potential locations and environmental assessment, the finalization of network design will be based on customer input.
2d.	Rights of Way	70	Commonwealth is ensuring that every site permission document is finalized with all required technical amendments. There are master licences agreements in place for all site and tower owners.
2e.	Construction Permits and Other Approvals	0	No construction activities have started and most construction permits will not be needed until Q4 2010 or Q1 2011.
2f.	Site Preparation	0	No site activity has commenced
2g.	Equipment Procurement	10	We have initiated purchase order process for \$8 million of microwave equipment.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	No build activity has commenced.
2i.	Equipment Deployment	0	No equipment deployment has commenced.
2j.	Network Testing	0	No network testing has commenced.
2k.	Other (please specify):		

**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 (150 words or less).**  
 Challenge has been to meet grant compliance requirements and to meet the Commonwealth financial requirements to put federal funding into the budgetary and accounting structure of the state. These challenges have been met or overcome, which allows Commonwealth to get into the mechanics of issuing purchase orders and move project forward.

**4. Please report the following information regarding network build progress. Write "N/A" in the second 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 (100 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 construction or implementation started.
New network miles leased	0	No construction or implementation started.
Existing network miles upgraded	0	No construction or implementation started.

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<b>Indicator</b>	<b>Total</b>	<b>Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)</b>
Existing network miles leased	0	No construction or implementation started.
Number of miles of new fiber (aerial or underground)	0	No construction or implementation started.
Number of new wireless links	0	No construction or implementation started.
Number of new towers	0	No construction or implementation started.
Number of interconnection points	0	No construction or implementation started.

For questions 5 and 6 please include information relating to agreements that you are negotiating or have entered into, or that your subrecipient, 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.

<b>Indicators</b>	
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	0

**5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements. 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. Wholesale services description:**  
 Current plan is to offer Ethernet virtual circuits, 3, 6, 10, 20, and 50 Mbs. Price will be based on Network Interface Access and number of microwave hops between ports. Standard features to include Layer 2 MPLS Ethernet ports, best effort routing with route protection in backbone hops, and base price includes basic burst capability of up to 25% of contracted bandwidth at no cost if excess capacity is available. 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 subrecipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this third party operates (150 words or less).**  
 n/a

**6. Please provide the data according to the type of subscriber. Write "N/A" 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 (100 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	
	Providers with signed agreements receiving improved access	0	
	Providers with signed agreements receiving access to dark fiber	0	
	Please identify the speed tiers that are available and the number of subscribers for each	0	
Community Anchor Institutions (including Government institutions)	Total subscribers served		
	Subscribers receiving new access		
	Subscribers receiving improved access		
	Please identify the speed tiers that are available and the number or subscribers for each		
Residential / Households	Entities passed	0	
	Total subscribers served	0	
	Subscribers receiving new access	0	
	Subscribers receiving improved access	0	
	Please identify the speed tiers that are available and the number of subscribers for each	0	
Businesses	Entities passed	0	
	Total subscribers served	0	
	Subscribers receiving new access	0	
	Subscribers receiving improved access	0	
	Please identify the speed tiers that are available and the number of subscribers for each	0	

**7. Please describe any special offerings you may provide (150 words or less).**

Because the BTOP grant is being implemented by a Public Safety communications agency, we will be looking to discount services to local public safety entities by approximately 30%, such as local fire, police and emergency response.

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

**8b. If so, please describe the changes (150 words or less).**

**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. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent calendar year. 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 (100 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

**Project Indicators (Next Quarter)**

**1. Please describe significant project accomplishments planned for completion during the next quarter (150 words or less).**

By the end of the 3rd Quarter of 2010, Commonwealth of PA hopes to have issued purchase orders for all microwave and network switching (MPLS) equipment and installation services in the network design, with a slight possibility for initial deliveries. This will position the project to have its inaugural bandwidth in place during the 4th Quarter. However, the focus will remain on having the major infrastructure improvements roll out in the 2nd Quarter of 2011. Other significant activity will include having the system management hardware and software ordered and installed. The Commonwealth of PA will be participating in the Pennsylvania Broadband Summit in September, 2010.

**2. Please provide the percent complete for the following key milestones in your project. Write "N/A" in the second 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 (100 words or less).**

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	Overall Project	8	
2b.	Environmental Assessment	100	
2c.	Network Design	90	Contingency for additional design of 43 point to point and point to multi-point connections from the middle-mile backbone to customers.
2d.	Rights of Way	95	Contingency for delay in documents returned from other government agencies where we have towers on state land.
2e.	Construction Permits and Other Approvals	5	Construction of 1st tower and shelter probably will not occur until Q4.
2f.	Site Preparation	5	Construction of 1st tower and shelter probably will not occur until Q4.
2g.	Equipment Procurement	50	We expect that we will have ordered all equipment except the 43 wi-max links. Delivery and acceptance of equipment will not occur until Q4.
2h.	Network Build (all components - owned, leased, IRU, etc.)	0	
2i.	Equipment Deployment	0	
2j.	Network Testing	0	
2k.	Other (please specify):		

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**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 (150 words or less).**

Commonwealth of PA is anticipating compliance with NEPA through the issues of a Finding of No Significant Impact (FONSI) in early August 2010. This will enable us to proceed with issuance of purchase orders to contractors for equipment and installation. The challenge faced by the Commonwealth is to have vendors to provide all firm, final detailed price quotes that are in line with estimates provided during application process in October 2009. With processing of all quotes, Commonwealth may need to make modifications to budget to maintain grant compliance.

**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	\$271	\$0	\$271	\$33,688	\$0	\$33,688
b. Land, structures, right-of-ways, appraisals, etc.	\$5,323,484	\$5,128,994	\$194,490	\$31,900	\$31,900	\$0	\$390,010	\$390,010	\$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	\$15,040	\$15,040	\$0	\$380,510	\$380,510	\$0
e. Other architectural and engineering fees	\$495,125	\$0	\$495,125	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$1,763,284	\$0	\$1,763,284	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$6,628,767	\$0	\$6,628,767	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$4,995,267	\$734,493	\$4,260,774	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$10,895,444	\$1,332,544	\$9,562,900	\$0	\$0	\$0	\$0	\$0	\$0
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>l. SUBTOTAL (add a through k)</b>	<b>\$35,980,011</b>	<b>\$7,196,000</b>	<b>\$28,784,011</b>	<b>\$47,211</b>	<b>\$46,940</b>	<b>\$271</b>	<b>\$804,208</b>	<b>\$770,520</b>	<b>\$33,688</b>
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTALS (sum of l and m)</b>	<b>\$35,980,011</b>	<b>\$7,196,000</b>	<b>\$28,784,011</b>	<b>\$47,211</b>	<b>\$46,940</b>	<b>\$271</b>	<b>\$804,208</b>	<b>\$770,520</b>	<b>\$0</b>

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
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