

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 NT10BIX5570033	3. DUNS Number 141249024
4. Recipient Organization Iniciativa Tecnologica Centro Oriental (INTECO) Turabo University St.189 KM3.3, Gurabo, PR 00778-3030		
5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2013	6. Is this the last Report of the Award Period? <input checked="" type="radio"/> Yes <input type="radio"/> 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 Francisco Garcia Vice President of Operations	7c. Telephone (area code, number and extension) 7876535170	
	7d. Email Address fgarcia@intecopr.com	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 01-21-2014	

Project Indicators (This Quarter)

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

a) Overall Project Accomplishments.

The project accomplished the main goal of providing a Broadband service to eight Municipalities in the Eastern Central region of Puerto Rico. The region has over 440,000 inhabitants in those municipalities, many of which were in underserved areas until the INTECO project was completed. This region is characterized by a mountainous topography with schools and housing areas dispersed throughout the area. The Municipalities have been provided with a network free of charge in each city to provide the citizens with Internet capability in parks, interactive zones or other areas designated by the Municipality. Jobs were created not only in developing and construction the network but also in the implementation, validation, testing and operation of the network equipment. A total of 136.36 Full Time Equivalent (FTE) jobs were created or retained. All the entities awarded contracts for the equipment, construction of sites and NOC implementation were local companies whose participation in the project benefited the region and their employees.

INTECO activated all quadrants with 24 sites and the NOC (Network Operations Center). Every major equipment and component for the NOC (Network Operational Center) is in service. All the applications related with billing, authentication and authorization, adding, eliminating and monitoring customers are commissioned. We have completed validated and quality checks for Wimax set-ups, verification, testing, provisioning for customers, ensuring that the whole system is ready for expansion for future customers. All Data Center equipment and the Systems components are installed, tested and in service. Equipment such as the IBM Blade Servers, Fortinet Firewall and UTM (Unified Telecommunication Management), JUNIPER Routers, APC UPS (Uninterrupted Power System) and air conditioning system are commissioned. The communication links between the NOC and Data Center is in service. Two egress points are installed and in service. We completed all telecommunications equipment installation in all sites. All telecommunication towers were completed per schedule and in service. The equipment and network on all towers were installed, tested and verified. Construction was fully completed within the authorized time period.

In terms of business development, the network is being used for business development by developing companies in the Business Incubator in Valle Tolima, Caguas. A number of small developing businesses are using the BroadBand capabilities of the network due to the competitive prices offered which help them offer excellent service while keeping their Internet costs low. The Community Anchor Institution goal was met and exceeded, with more CAI's expected to be connected in the following months after the time frame of the award is completed. The number of schools and libraries connected to the network continue to increase. The expected number of CAI's connected to the network is expected to be duplicated over the next nine months after the project is closed.

A total of 136.36 Full Time Equivalent (FTE) jobs were created or retained.

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	100	All sites and network implementation completed.
2b.	Environmental Assessment	100	Received FONSI approval (Finding of No Significant Impact) received on November 23, 2010.
2c.	Network Design	100	Network redesign update completed.
2d.	Rights of Way	100	Completed lease or land lease contracts for all 23 tower sites.
2e.	Construction Permits and Other Approvals	100	Submission of permits, including if necessary soil studies, terrain elevation and foundation design, to the responsible Puerto Rican permits agency were completed.
2f.	Site Preparation	100	Completed site preparation, construction, telecommunication enclosures installation and telecommunication equipment installation in twenty four tower sites.
2g.	Equipment Procurement	100	All equipment purchases completed. Acquisition and installation of the NOC Equipment for INTECO's Broadband Network was completed.
2h.	Network Build (all components - owned, leased, IRU, etc)	100	All telecommunications equipment purchase was completed. Acquisition and installation of the NOC Equipment for INTECO's Broadband Network was completed. All network build completed.
2i.	Equipment Deployment	100	Completed depolymnt and instalation of all telecommunications equipment. All NOC Equipment for INTECO's Broadband Network was installed and completed in NOC.
2j.	Network Testing	100	All network testing for telecommunications equipment is completed.
2k.	Administrative Other (please specify): Project Management	100	We have met the expenditures guidelines.

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).

We have begun close out of project per schedule; as required by NTIA-BTOP.

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	109	Wireless microwave project construction ended. We initiated service in all quadrants. All links verified and tested, all equipment on all links installed and verified.
New network miles leased	0	No variance from baseline.
Existing network miles upgraded	0	No variance from baseline.
Existing network miles leased	0	No variance from baseline.
Number of miles of new fiber (aerial or underground)	0	No variance from baseline.
Number of new wireless links	27	All links verified and tested, all equipment on all links installed and verified.
Number of new towers	24	No variance from baseline.
Number of new and/or upgraded interconnection points	2	Variance of 2 from baseline. We have two interconnection points, we do not need more interconnection points at this time. Development of traffic volume will determine further increment of interconnection points.

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	2
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	1
Average term of signed agreements (in quarters)	8

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:

EdNet, Critical Hub.

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:

The INTECO BTOP Wireless microwave project has initiated service for Internet Connection Services in all quadrants (there are 4 quadrants in total in the network). Construction and activation completed in the network.

Basic products and services are: speed plans offering different speeds at different prices according to the selected speed. These plans are available at: 1 Mbps download/256 kbps upload; at 3 Mbps download/512 Kbps upload; at 5 Mbps/512 Kbps; at 8 Mbps/1 Mbps and at 10 Mbps/1 Mbps. Also, available a Home Router service with WiFi capacity including 4 Ethernet ports. Customized or Personalized case by case price estimates products and services are; Access Point, Switcher, Point to Point; Fiber, Security/Firewall and Content Filtering.

NOTE: Attached Updated Pricing List for 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).

No designated third party.

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	2	Variance of 2 from baseline. Negotiations were not successful with other entities.
	Providers with signed agreements receiving improved access	0	No variance from baseline.
	Providers with signed agreements receiving access to dark fiber	0	No variance from baseline.
	Please identify the speed tiers that are available and the number of subscribers for each	4	For all future providers internet service at 3/1 mbps asymmetric, 5/1 mbps, 8/1 and 10/1 mbps.
Community Anchor Institutions (including	Total subscribers served	84	For all future providers internet service at 3/1 mbps asymmetric, 5/1 mbps ,8/1 and 10/1 mbps.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Government institutions)			
	Subscribers receiving new access	0	Variance of 17 from baseline. Wireless microwave network construction ends and optimized. We have initiated service in all quadrants. Completed CAI's connections.
	Subscribers receiving improved access	84	Wireless microwave network construction ends and optimized. We have initiated service in all quadrants. Completed CAI's connections.
	Please identify the speed tiers that are available and the number or subscribers for each	4	3/1mbps = 50 5/1Mbps =31 8/1Mbps = 0 10/1mbps= 3
Residential / Households	Entities passed	0	N/A in baseline.
	Total subscribers served	141	N/A in baseline.
	Subscribers receiving new access	0	N/A in baseline.
	Subscribers receiving improved access	0	N/A in baseline.
	Please identify the speed tiers that are available and the number of subscribers for each	4	3Mbps/512Kbps = 121 5Mbps/512Kbps = 18 8/1Mbps =2 10/1Mbps= 0
Businesses	Entities passed	0	Variance of 605 from baseline. Wireless microwave network construction ends and optimized. We have initiated service in all quadrants. Focus of project changed to CAI connections, original projection was incorrect.
	Total subscribers served	11	Variance of 50 from baseline. Wireless microwave network construction ends and optimized. We have initiated service in all quadrants. Focus of project changed to CAI connections, original projection was incorrect.
	Subscribers receiving new access	0	Variance of 15 from baseline. Wireless microwave network construction ends and optimized. We have initiated service in all quadrants. Focus of project changed to CAI connections, original projection was incorrect.
	Subscribers receiving improved access	11	Variance of 55 from baseline. Wireless microwave network construction ends and optimized. We have initiated service in all quadrants. Focus of project changed to CAI connections, original projection was incorrect.
	Please identify the speed tiers that are available and the number of subscribers for each	4	3Mbps/512Kbps = 6 5Mbps/512Kbps =4 8/1Mbps =0 10/1Mbps=1

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

No special offerings are available at this moment.

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

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

Not applicable.

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
Head Start - Yolanda Melendez	Cayey	Government Facilities	Yes	Using Infrastructure for Internet access
Head Start Brisas	Cayey	Government Facilities	Yes	Using Infrastructure for Internet access
Head Start Toita	Cayey	Government Facilities	Yes	Using Infrastructure for Internet access
Hospital Menonita	Cayey	Medical and Heathcare Provider	Yes	Using Infrastructure for Internet access
Head Start San Antonio	Caguas	Government Facilities	Yes	Using Infrastructure for Internet access
Head Start Rio Canas	Caguas	Government Facilities	Yes	Using Infrastructure for Internet access
Head Start La Mesa	Caguas	Government Facilities	Yes	Using Infrastructure for Internet access
Head Start Bairoa Academia	Caguas	Government Facilities	Yes	Using Infrastructure for Internet access
Head Start Santa Juana	Caguas	Government Facilities	Yes	Using Infrastructure for Internet access
Head Start Bairoa Park	Caguas	Government Facilities	Yes	Using Infrastructure for Internet access
Head Start Jose Grillo	Caguas	Government Facilities	Yes	Using Infrastructure for Internet access
Head Start Barriada Morales	Caguas	Government Facilities	Yes	Using Infrastructure for Internet access
Head Start Valle Tolima	Caguas	Government Facilities	Yes	Using Infrastructure for Internet access
Head Start Las Carolinas	Caguas	Government Facilities	Yes	Using Infrastructure for Internet access
Head Start Canaboncito	Caguas	Government Facilities	Yes	Using Infrastructure for Internet access
Head Start Cayey Pueblo 1	Cayey	Government Facilities	Yes	Using Infrastructure for Internet access

Project Indicators (Next Quarter)

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

MILESTONE #1 OVERALL PROJECT

Activities This Quarter (Q4-2013)
 1. End of Award Period 07/31/2013; Q3-2013. Overall project 100% completed in Q3-2013; Q3 and Q4-2013 Activities will be those related to the closeout. All closeout activities will be performed before due date, 10/29/2013.

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	100	End of Award Period 07/31/2013; Q3-2013. Overall project 100% completed in Q3-2013; before ending date. All closeout activities will be performed in Q3, Q4, before the due date for closeout, 10/29/2013.
2b.	Environmental Assessment	100	End of Award Period 07/31/2013; Q3-2013. Overall project 100% completed in Q3-2013; before ending date. All closeout activities will be performed in Q3, Q4, before the due date for closeout, 10/29/2013.
2c.	Network Design	100	End of Award Period 07/31/2013; Q3-2013. Overall project 100% completed in Q3-2013; before ending date. All closeout activities will be performed in Q3, Q4, before the due date for closeout, 10/29/2013.
2d.	Rights of Way	100	End of Award Period 07/31/2013; Q3-2013. Overall project 100% completed in Q3-2013; before ending date. All closeout activities will be performed in Q4, before the due date for closeout, 10/29/2013.
2e.	Construction Permits and Other Approvals	100	End of Award Period 07/31/2013; Q3-2013. Overall project 100% completed in Q3-2013; before ending date. All closeout activities will be performed in Q3, Q4, before the due date for closeout, 10/29/2013.
2f.	Site Preparation	100	End of Award Period 07/31/2013; Q3-2013. Overall project 100% completed in Q3-2013; before ending date. All closeout activities will be performed in Q3, Q4, before the due date for closeout, 10/29/2013.
2g.	Equipment Procurement	100	End of Award Period 07/31/2013; Q3-2013. Overall project 100% completed in Q3-2013; before ending date. All closeout activities will be performed in Q3, Q4, before the due date for closeout, 10/29/2013.
2h.	Network Build (all components - owned, leased, IRU, etc.)	100	End of Award Period 07/31/2013; Q3-2013. Overall project 100% completed in Q3-2013; before ending date. All closeout activities will be performed in Q4, before the due date for closeout, 10/29/2013.
2i.	Equipment Deployment	100	End of Award Period 07/31/2013; Q3-2013. Overall project 100% completed in Q3-2013; before ending date. All closeout activities will be performed in Q3, Q4, before the due date for closeout, 10/29/2013.
2j.	Network Testing	100	End of Award Period 07/31/2013; Q3-2013. Overall project 100% completed in Q3-2013; before ending date. All closeout activities will be performed in Q3, Q4, before the due date for closeout, 10/29/2013.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2k.	Other (please specify): Management and Administration	100	End of Award Period 07/31/2013; Q3-2013. Overall project 100% completed in Q3-2013; before ending date. All closeout activities will be performed in Q3, Q4, before the due date for closeout, 10/29/2013.

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).

INTECO Broadband already completed 100% in this Quarter (Q3-2013). All closeout activities will be performed in Q3, Q4-2013. Closeout package will be upload to PAM on or before the due date 10/29/2013.

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	\$2,258,195	\$998,586	\$1,259,609	\$2,258,195	\$998,586	\$1,259,609	\$2,258,195	\$998,586	\$1,259,609
b. Land, structures, right-of-ways, appraisals, etc.	\$3,908,111	\$2,327,122	\$1,580,989	\$3,908,111	\$2,327,122	\$1,580,989	\$3,908,111	\$2,327,122	\$1,580,989
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$157,000	\$0	\$157,000	\$157,000	\$0	\$157,000	\$157,000	\$0	\$157,000
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	\$1,876,517	\$25,258	\$1,851,258	\$1,876,517	\$25,258	\$1,851,258	\$1,876,517	\$25,258	\$1,851,258
j. Equipment	\$7,712,648	\$61,534	\$7,651,114	\$7,712,648	\$61,534	\$7,651,114	\$7,712,648	\$61,534	\$7,651,114
k. Miscellaneous	\$431,204	\$0	\$431,204	\$431,204	\$0	\$431,204	\$431,204	\$0	\$431,204
l. SUBTOTAL (add a through k)	\$16,343,675	\$3,412,500	\$12,931,174	\$16,343,675	\$3,412,500	\$12,931,174	\$16,343,675	\$3,412,500	\$12,931,174
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$16,343,675	\$3,412,500	\$12,931,174	\$16,343,675	\$3,412,500	\$12,931,174	\$16,343,675	\$3,412,500	\$12,931,174

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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