



Broadband Technology Opportunities Program

BTOP Narrative Report for Infrastructure Projects

Awardee: **Iniciativa Tecnológica Centro Oriental, Inc. (INTECO)**
Project: **Construction of Broadband Infrastructure for the Central East Region of Puerto Rico**

<p align="center">BTOP PERFORMANCE PROGRESS REPORT #2 (SECOND QUARTER 2010).</p>

Award Type: G
Award Number: NT10BIX5570033
Funding Agency Code: 1335
Awarding Agency code: 1330
Award Date: 02/28/2010
Amount of Award: \$12,931,174.00
Catalogue of Federal Domestic Assistance (CFDA) Number: .. 11.557
Program Source (TAS) Code: 13-0554
DUNS Number: 141249024

July 29, 2010

Quarterly Performance Report Questions for Broadband Infrastructure Projects

General Information			
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1. Federal Agency and Organization Element to Which Report is Submitted NTIA #1330	2. Award Identification Number NT10BIX5570033	3a. DUNS Number: 141249024	
		3b. EIN: 66-0630634	
4. Recipient Organization (Name and complete address including county, congressional district, and zip code) Iniciativa Tecnológica Centro Oriental, Inc. (INTECO) #65 Betances Street, Plaza Palmer, Caguas, Puerto Rico 00725-3512			
5. Current Reporting Period End Date (MM/DD/YYYY) 06/30/2010		6. Is this the Last Report of the Award Period?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 Eng. Francisco García Vice President of Operations and Principal Investigator (PI)		7c. Telephone (area code, number and extension) (787) 653-5171	
		7d. Email Address fgarcia@intecopr.com	
7b. Signature of Certifying Official		7e. Date Report Submitted (MM/DD/YYYY) 07/29/2010	

Project Indicators (This Quarter)

1. Please describe significant project accomplishments during this quarter (150 words or less).

[1] EA-SAC: FWS letter of comments was received stating that there are no concerns. FWS letter forwarded to Dr. Monteferrante. EA Request for Quotations issued and Selection Committee selected entity based on point evaluation. EA consultant was contracted. EA draft will be developed and will be sent to NTIA's environmental specialist for revisions. SHPO assigned number; #02081002.

[2] Other SAC: Approval of the Accounting Verification System Certification. Enrollment to the Automated Accounting System Procedures completed. Requested Rebudget was approved.

[3] Overall Project: Attendance to conference calls and seminars. Participated in Best Practices Conference at Chicago. Baseline Report submitted and approved. INTECO Grant Management team had meeting with the Middle Atlantic Broadband Organization which has a successful, customer service model. Also met the key people from Critical Hub project, which is a BTOP project approved for an area next to the INTECO region in PR. We agreed to look for synergies.

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	2%	No variance from baseline.
2b.	Environmental Assessment	25%	No variance from baseline.
2c.	Network Design	10%	No variance from baseline.
2d.	Rights of Way	5%	No variance from baseline.
2e.	Construction Permits and Other Approvals	0%	No variance from baseline.
2f.	Site Preparation	0%	No variance from baseline.
2g.	Equipment Procurement	0%	No variance from baseline.
2h.	Network Build (all components - owned, leased, IRU, etc.)	0%	No variance from baseline.
2i.	Equipment Deployment	0%	No variance from baseline.
2j.	Network Testing	0%	No variance from baseline.
2k.	Other (please specify):		
	Administration and Project Management	9%	No variance from baseline.
	Federal Grant Expenditures	0%	Variance from baseline projected expenditure of 1.69% (\$218,307) for 2 nd Quarter 2010 because of the transmittal of a reprogram-rebudget request in the SAC Budget (SF424C)

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).

Challenges or issues faced includes;

(1) State Historic Preservation Officer (SHPO) has not issued any comments although request was file to SHPO months ago.

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 variance from baseline.
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	0	No variance from baseline.
Number of new towers	0	No variance from baseline.
Number of interconnection points	0	No variance from baseline.

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.

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	N/A

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 project.
 Wholesale services description:
 No wholesale services are currently being offered at this stage.

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 that this third party operates (150 words or less).
 No designated third party.

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	No variance from baseline.
	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	0	Dedicated Internet Access at 2/1mbps symmetrical, 6/2 mbps and 9/3 mbps for all providers.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	No variance from baseline.
	Subscribers receiving new access	0	No variance from baseline.
	Subscribers receiving improved access	0	No variance from baseline.
	Please identify the speed tiers that are available and the number of subscribers for each	0	2/1 mbps, 6/2 mbps Dedicated Internet Access and Metro E for all subscribers.
Residential/ Households	Entities passed	N/A	No variance from baseline.
	Total subscribers served	N/A	No variance from baseline.
	Subscribers receiving new access	N/A	No variance from baseline.
	Subscribers receiving improved access	N/A	No variance from baseline.
	Please identify the speed tiers that are available and the number of subscribers for each	N/A	No variance from baseline.
Businesses	Entities passed	0	No variance from baseline.
	Total subscribers served	0	No variance from baseline.
	Subscribers receiving new access	0	No variance from baseline.
	Subscribers receiving improved access	0	An No y variance from baseline.
	Please identify the speed tiers that are available and the number of subscribers for each	0	2/1 mbps, 6/2 mbps and 9/3 mbps Dedicated Internet Access and Metro E for all subscribers.

7. Please describe any special offerings you may provide (150 words or less).
Not applicable at this stage.

8. Have your network management practices changed over the last quarter? If so, please describe the changes (150 words or less).
NO.

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
NONE	Central East Region	NONE	NOT APPLICABLE	Any anchor institution is connected to network. Construction not started yet. Pre construction stage.

Project Indicators (Next Quarter)
<p>1. Please describe significant project accomplishments planned for completion during the next quarter (150 words or less).</p> <p>Milestone #2 EA Activities Q3-2010: 1. EA Narrative Draft and Final versions completed and file to NTIA (100%).</p> <p>Milestone #3 Network Design Activities Q3-2010: 1. Complete Network final updated design contracting. 2. Network design; spectrum agreements site locations and commercial tower availability updated. (100%) 3. GIS updated. (100%) 4. Design document updated. (100%) 5. PR Engineer Certifications of preliminary and final drawings and specifications (50% completed)</p> <p>Milestone #4 Rights of Ways Activities Q3-2010: 1. Identification, research of right of way requirements and acquisition agreement (30%)</p>

completed).			
Milestone #6 Site Preparation			
Activities Q3-2010:			
1. Procurement process for contractor(s); detailed scope of work prepared for each site; and/or site works and final use permit (5% completed).			
Milestone #11 Other			
Activities Q3-2010:			
1. Administration and Management works (18% completed).			
2. Total Federal Expenditure = \$ 456,606.			
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 your reasons for any variance from the baseline plan or any other relevant information)
2a.	Overall Project	7%	No variance from baseline.
2b.	Environmental Assessment	100%	No variance from baseline.
2c.	Network Design	50%	No variance from baseline.
2d.	Rights of Way	30%	No variance from baseline.
2e.	Construction Permits and Other Approvals	0%	Construction activity will not start in this quarter. Finalizing EA.
2f.	Site Preparation	0%	Construction activity will not start in this quarter. Finalizing EA.
2g.	Equipment Procurement	0%	No variance from baseline.
2h.	Network Build (all components - owned, leased, IRU, etc.)	0%	No variance from baseline.
2i.	Equipment Deployment	0%	No variance from baseline.
2j.	Network Testing	0%	No variance from baseline.
2k.	Other (please specify):		
	(1) Administration and Project Management	18%	No variance from baseline.
	(2) Federal Grant Expenditures	3%	4% variance due to delay in start of construction activities.

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).

Challenges or issues anticipated for Q3-2010 are:

1. Not receiving yet State Historic Preservation Officer (SHPO) written comments. Slow response time.
2. Receiving SHPO comments with significant burdensome requests for additional detailed information or technical data.
3. We realized that some of the fifteen existing towers to be leased, as well as the eight towers to be built in the design, may be at risk. This could occur if existing towers may have had their capacity used up and different tower placements may need to be considered. The same issue is occurring with the expected site of the land sites to be leased. We need to verify that the land owners haven't made any commitments in the last year. The change of placement of a few towers doesn't change the scope of the project but does need to have the design verified and completed as the EA process is done.

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 Costs	Matching Funds	Federal Funds	Total Costs	Matching Funds	Federal Funds
a. Administrative and legal expenses	\$1,202,000	\$0	\$1,202,000	\$175,910.64	\$0	\$175,910.64	\$456,506	\$0	\$456,506
b. Land, structures, rights-of-way, appraisals, etc.	\$4,805,650	\$3,412,500	\$1,393,150	\$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	\$178,000	\$0	\$178,000	\$0	\$0	\$0	\$0	\$0	\$0
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	\$2,038,396	\$0	\$2,038,396	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$7,489,453	\$0	\$7,489,453	\$0	\$0	\$0	\$0	\$0	\$0
k. Miscellaneous	\$630,175	\$0	\$630,175	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$16,343,674	\$3,412,500	\$12,931,174	\$175,910.64	\$0	\$175,910.64	\$456,506	\$0	\$456,506
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTALS (sum of l and m)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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				