

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 NT10BIX5570026	3. DUNS Number 831415570
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4. Recipient Organization

Keystone Initiative For Network Based Education and Research 777 W. Harrisburg Pike, Middletown, PA 17057-4846

5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2012	6. Is this the last Report of the Award Period? <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.

7a. Typed or Printed Name and Title of Certifying Official Patricia Campbell Compliance Officer	7c. Telephone (area code, number and extension) 6104289180
	7d. Email Address pcampbell@kinber.org

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-08-2012
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Project Indicators (This Quarter)

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

- KINBER reports having 1,284 miles of fiber complete and 61 CAIS connected. KINBER has completed the network equipment installations at twenty two (22) of the twenty-three (23) planned locations to house equipment. The final site will be installed on Oct 17, 2012.
- KINBER has promoted Segment B into production status. Four additional Segments (C, F, G and H) are lit, turned up with integration teams working on Day 0 (testing) activities.
- KINBER has completed the installation of commodity Internet and at both of our major routing nodes.
- KINBER has also completed the installation of R&E connectivity for exchange of Internet2 routes and established physical connectivity with in Pittsburgh.
- KINBER continues to build out the MPLS based VPN services from Earthlink to use of out-of-band management and connectivity for remote management.
- KINBER continues to bring online the various systems and web-based tools provided by the GRNOC to manage the operations of PennREN. This includes a portal page from which members can access various information tools such as online calendars, service request and trouble ticketing, performance reports, the real time ATLAS tool and others.
- KINBER is using the Footprints trouble-ticketing system for all problems, change management, and customer provisioning activities.
- GRNOC service desk technicians and 2nd and 3rd tier support teams have been involved in segment turnup and trained on PennREN hardware and systems.
- GRNOC has completed the integration of network performance management tools and servers into the Service nodes on Segment B, C, F, G, H. Performance information is being generated and pulled into the various GRNOC reporting platforms.
- KINBER has delivered new service to one customer and is in the process of completing service provisioning for two others to be completed in October 2012.
- KINBER continues to work with last mile providers to establish a last mile services strategy that includes the implementation of Network to Network Interfaces (NNI) as a way to connect off-net customers to PennREN.
- KINBER has developed the technology solutions for providing last mile services to PennREN ON-NET customers who wish to be early adopters and get connected as soon as possible.
- KINBER continues to use a milestone based work-breakdown structure to manage field and engineering activities. KINBER's partners are working together collaboratively with online tools and services to manage the work efforts.
- KINBER continues to manage risk by use of disciplined project management, effective communication among team members and other best practices. Site readiness is being managed directly by KINBER Operations team members.
- KINBER and its partners continue to manage risk with equipment failures and engineering mistakes by paying close attention to detailed configuration checklists, design documents, and architectural documents.
- KINBER has included specific unit testing, system testing in its segment turnover activities milestones. Hardware failures have been minimal and well within expected norms.
- KINBER has developed its service catalog, product data sheets and other materials to use in working with members on the use of PennREN.
- KINBER has completed its customer forms for master services agreements, PennREN services agreements and service orders to be used for customer wishing to subscribe to services.

KINBER held another successful "Community Day" outreach event at Lehigh University in Bethlehem, PA and is planning its second annual members meeting for May 2013, in Pittsburgh.

KINBER moved and expanded its corporate offices to State College, PA and hired an additional network engineer .

A Member Relations Manager as well as a Director of External Relations have been hired to increase outreach activities, attract customers, and ensure sustainability.

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	82	Project is slightly behind due to permitting and ROW delays as well as the fixed price nature of the contract. KINBER only spends funds based on deliverable completion and does not make partial payments. Therefore, more work has been completed than funds drawn due to this payment schedule.
2b.	Environmental Assessment	100	Milestone is complete
2c.	Network Design	100	Milestone is complete
2d.	Rights of Way	99	Project is waiting for a few additional ROW approvals.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2e.	Construction Permits and Other Approvals	97	KINBER is waiting for a few remaining permits
2f.	Site Preparation	97	This slight delay is related to pending permits and ROW approvals
2g.	Equipment Procurement	100	Milestone is complete.
2h.	Network Build (all components - owned, leased, IRU, etc)	90	Project is on schedule.
2i.	Equipment Deployment	96	Equipment has been deployed at 22 of 23 sites.
2j.	Network Testing	33	Although fiber and equipment have been deployed to much of the network, connectivity has not been fully established. There are five segments lit and in test status, and one segment (B) is in production status. Other segment lighting and testing has been slowed due to small fiber segments that have not been connected due to something like a bridge crossing or other construction or permit related delay. KINBER has to deployed all equipment at 22/23 node sites and awaits final connectivity to be able to light the segments as soon as possible.
2k.	Other (please specify):	100	KINBER has received all of the fiber necessary to build the network.

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).
 There are still a small number of ROW and permits that have not been approved which delays completing full segments. KINBER also experienced some downed fiber from storms and also a "limb trimming" incident. All of this damage has been corrected.

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	1,284	Project is slightly behind due to delayed permitting but will catch up in Q4.
New network miles leased	0	n/a for this project
Existing network miles upgraded	0	n/a for this project
Existing network miles leased	0	n/a for this project
Number of miles of new fiber (aerial or underground)	1,284	Project is slightly behind due to delayed permitting but wil catch up in Q4.
Number of new wireless links	0	n/a for this project
Number of new towers	0	n/a for this project
Number of new and/or upgraded interconnection points	61	Project is ahead of schedule.

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	3

Indicators			
Average term of signed agreements (in quarters)		44	
<p>5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: Sunesys, LLC and One Source Networks (OSN)</p>			
<p>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: Both Sunesys, LLC and OSN will provide last mile capability or access to additional, offnet fiber. These services will be coordinated with KINBER and customized to the individual institution's needs. Proposed FY2013 prices for on-net network services for member: Dark Fiber - \$700 per strand mile/year 1G Ethernet Port \$1,650 10G Ethernet Port \$5,000 100M Ethernet Point-to-Point \$2,000 1G ethernet Point-to-Point \$5,000 10G Ethernet Point-to-Point \$15,000 10G lambda Point-to-Point \$15,000 Commodity Internet \$3 per Mbps</p>			
<p>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. KINBER is operating the network.</p>			
<p>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).</p>			
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	1	Sunesys is a last mile provider who will also be fulfilling KINBER's open access commitment across the network footprint.
	Providers with signed agreements receiving improved access	0	Services are not yet being offered.
	Providers with signed agreements receiving access to dark fiber	0	Services are not yet being offered.
	Please identify the speed tiers that are available and the number of subscribers for each	0	100M to 10G
Community Anchor Institutions (including Government institutions)	Total subscribers served	61	61 CAIs have been connected to the network, and one is KINBER's first customer. Services are not yet fully available in many parts of the network
	Subscribers receiving new access	3	Three locations have new access through the PennREN network.
	Subscribers receiving improved access	58	Of the 58 CAIs connected to the network, there is one current subscriber. This is simply the lag in time for the network to be completed and services being offered as of the end of Q3 2012.
	Please identify the speed tiers that are available and the number or subscribers for each	0	100M to 10G will be offered

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Residential / Households	Entities passed	0	n/a. KINBER is not offering last mile or residential services.
	Total subscribers served	0	n/a. KINBER is not offering last mile or residential services.
	Subscribers receiving new access	0	n/a. KINBER is not offering last mile or residential services.
	Subscribers receiving improved access	0	n/a. KINBER is not offering last mile or residential services.
	Please identify the speed tiers that are available and the number of subscribers for each	0	n/a. KINBER is not offering last mile or residential services.
Businesses	Entities passed	0	n/a. KINBER is not offering last mile or services to businesses.
	Total subscribers served	0	n/a. KINBER is not offering last mile or services to businesses.
	Subscribers receiving new access	0	n/a. KINBER is not offering last mile or services to businesses.
	Subscribers receiving improved access	0	n/a. KINBER is not offering last mile or services to businesses.
	Please identify the speed tiers that are available and the number of subscribers for each	0	n/a. KINBER is not offering last mile or services to businesses.

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

None at this time.

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
Bloomsburg University	Bloomsburg	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Bucknell University	Lewisburg	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Clarion University	Clarion	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
East Stroudsburg University	East Stroudsburg	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Fannet-Metal Sr. High School	Willow Hill	School (K-12)	No	Although this location is connected to the network, no services are being offered yet.

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
Harrisburg Area Community College	Harrisburg	Community College	No	Although this location is connected to the network, no services are being offered yet.
Lock Haven University	Lock Haven	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Luzerne Community College	Nanticoke	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Northampton Community College	Bethlehem	Community College	No	Although this location is connected to the network, no services are being offered yet.
Penn State- Behrend	Erie	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Penn State - Dickinson School of Law	Carlisle	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Penn State - DuBois	DuBois	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Penn State - Fayette	Uniontown	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Penn State - Hazleton	Hazleton	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Penn State - Shenango	Sharon	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Penn State - Wilkes Barre	Wilkes Barre	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Penn State - Worthington-Scranton	Dallas	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Pennsylvania Highlands Community Collge	Johnstown	Community College	No	Although this location is connected to the network, no services are being offered yet.
Shippensburg	Shippensburg	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
University of Pittsburgh - Johnstown	Johnstown	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
University of Scranton	Scranton	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Penn State - Altoona	Altoona	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.

Project Indicators (Next Quarter)

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

KINBER will have over 1500 miles of fiber complete (93%) and all 63 CAls connected. All equipment will be deployed and over 50% of the network will be tested and in full production status.

KINBER plans to complete the installation of equipment in all twenty-three (23) nodes by the end of September 2012. Slips to this

schedule will not significantly affect the project.

KINBER plans to complete testing and turn-up of four segments in Q4.. Once equipment installations and outside plant construction is completed, resources will be focused on accelerating the turn up of segments into Day 1 production status.

KINBER expects to complete additional commodity Internet and R&E services out of its second major routing node in during this quarter.

KINBER expects to complete its forms for network services agreements that include terms, conditions, and other information about services in this quarter.

The annual financial audit will be reviewed and accepted by the Board of Directors and filed with the Federal Clearinghouse.

KINBER will submit documentation to fulfill the required Federal Government Security Interest in the asset.

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	88	Project will be slightly behind the baseline schedule, mostly due to lags in payment related to segment completion and payment terms outlined in the fixed price construction contract.
2b.	Environmental Assessment	100	Milestone is complete.
2c.	Network Design	100	Milestone is complete.
2d.	Rights of Way	100	Milestone is complete.
2e.	Construction Permits and Other Approvals	100	Milestone is complete.
2f.	Site Preparation	100	Milestone is complete.
2g.	Equipment Procurement	100	Milestone is complete.
2h.	Network Build (all components - owned, leased, IRU, etc.)	95	Although project will be slightly behind for completion in Q4; project will finish on time in Q1 2013.
2i.	Equipment Deployment	100	Milestone is complete.
2j.	Network Testing	50	Network testing is projected to be behind schedule due to the construction delays related to small pieces of a few segments that may be awaiting final approval (bridges and tunnels).
2k.	Other (please specify): F1ber	100	KINBER has received all of the fiber cable necessary to complete the project.

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).

Weather related challenges are the most obvious and unpredictable obstacles that KINBER will face in Q4 2012.

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	\$3,513,083	\$3,513,083	\$0	\$3,217,400	\$3,217,400	\$0	\$3,513,083	\$3,513,083	\$0
b. Land, structures, right-of-ways, appraisals, etc.	\$0	\$0	\$0	\$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	\$512,500	\$292,500	\$220,000	\$512,500	\$292,500	\$220,000	\$512,500	\$292,500	\$220,000
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	\$190,000	\$190,000	\$0	\$190,000	\$190,000	\$0	\$190,000	\$190,000	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$118,892,448	\$23,691,770	\$95,200,678	\$96,582,465	\$19,268,944	\$77,313,521	\$103,785,294	\$20,709,510	\$83,075,784
j. Equipment	\$5,850,000	\$1,610,000	\$4,240,000	\$5,473,356	\$1,610,000	\$3,863,356	\$5,557,240	\$1,610,000	\$3,947,240
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$128,958,031	\$29,297,353	\$99,660,678	\$105,975,721	\$24,578,844	\$81,396,877	\$113,558,117	\$26,315,093	\$87,243,024
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$128,958,031	\$29,297,353	\$99,660,678	\$105,975,721	\$24,578,844	\$81,396,877	\$113,558,117	\$26,315,093	\$87,243,024

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: \$500,000
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