

**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>  NT10BIX5570033	<b>3. DUNS Number</b>  141249024
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<b>4. Recipient Organization</b>  Iniciativa Tecnologica Centro Oriental (INTECO) Turabo University St.189 KM3.3, Gurabo, PR 00778-3030
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<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  03-31-2012	<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>  Francisco Garcia  Vice President of Operations	<b>7c. Telephone (area code, number and extension)</b>  7876535170
	<b>7d. Email Address</b>  fgarcia@intecopr.com

<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  05-14-2012
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**Project Indicators (This Quarter)**

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

a) Special Award Conditions (SAC) accomplishments.

- [i] Issuance, submittal, revision and approval of BTOP Fourth Quarter 2011 Performance Progress Report.
- [ii] Issuance submittal and approval of the Federal Transaction Report (SF 425) for Fourth Quarter 2011.
- [iii] Issuance, submittal and approval of ARRA Progress Report for Fourth Quarter 2011.

b) Overall Project Accomplishments.

- All activities of the project continue on track based on the priorities of the quadrant plan strategy. We divided the network into four quadrants and have been prioritizing two quadrants. We completed the awarding of the contract for the Request for Proposal of the construction of three telecommunication towers which are in the priority quadrants.
- By developing a quadrant strategy and prioritizing the tower preparation and construction, INTECO has established an objective of activating the network and the operations in two of the largest quadrants in the region by late summer of 2012, ahead of the Grant schedule. We will initiate connection for CAI's in the third quarter of 2012 in the quadrants which are activated.
- We have met and exceeded the requirement of substantially completing more than 67% of the project funds within the two year mark of the project. The total project funds disbursed by the end of the first quarter 2012 was 72%.
- Completed installation of telecommunication enclosures and telecommunication equipment installation in 12 existing tower sites. We are using a controlled system for inventory asset control and equipment tag identification for proper asset control for all equipment in diverse stages of installation.
- Completed preparation of the NOC (network operational center) with all construction activities completed. The equipment required by the contract for Request for Proposal #4; "Acquisition and Implementation of the Central Office Equipment for INTECO's Broadband Network" was received and installation initiated. This Request for Proposal covers all central office gear, servers, routers, switches, firewall, security, network operations management, HUAC, UPS, etc.
- We completed the awarding of the contract for the Request for Proposal #5, for the construction of telecommunication towers. The construction of the three telecommunications towers was initiated in a fast track mode and significant work was completed on foundation preparation.
- Continued work on permits submission for additional new tower sites. We have authorized construction permits for 4 new towers. We are expecting approval for 3 additional sites in April/May 2012.
- A total of 213.47 Full Time Equivalent (FTE) jobs were created or retained. Description of the FTE jobs includes Managers and Administrators (6.11); Warehousing-Inventories Specialist (0.17); Construction Permits and Design (5.91); Architectural and Engineering (0.22); Telecommunication Equipment (112.83); Appraisers (13.75); Digital Equipment Services (74.16); Insurance Services (0.15); and Travel Services (0.17).

**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	72	Initial delay due to Time to complete network design update and Environmental Assessment. Tower Construction, in process.
2b.	Environmental Assessment	100	Received FONSI approval (Finding of No Significant Impact) received on November 23, 2010.

	<b>Milestone</b>	<b>Percent Complete</b>	<b>Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)</b>
2c.	<b>Network Design</b>	100	Network redesign update completed.
2d.	<b>Rights of Way</b>	77	Complete lease contracts for total 16 existing tower sites. Complete land lease contracts for six sites.
2e.	<b>Construction Permits and Other Approvals</b>	60	Submission of permits, included soil studies, terrain elevation and foundation design, to the responsible Puerto Rican permits agency for three additional sites, we already have authorization granted for the construction of four new telecommunications towers to be used by the network in underserved areas.
2f.	<b>Site Preparation</b>	28	Completed Site Preparation & Construction on 14 existing tower sites. Contractors selected for Request for Proposal #5 (three new tower construction) initiated work in a fast track mode and significant work was completed on foundation preparation.
2g.	<b>Equipment Procurement</b>	80	The vendor for Request for Proposal #3; Telecommunications Equipment, has completed the purchase of equipment. We developed a system to provide inventory asset control and equipment tag identification for proper asset control for all equipment in diverse stages of being received, staged and implemented. Acquisition and installation of the NOC Equipment for INTECO's Broadband Network was substantially completed.
2h.	<b>Network Build (all components - owned, leased, IRU, etc)</b>	79	The vendor for Request for Proposal #3; Telecommunications Equipment, completed the staging of the microwave radios (integration and acceptance testing) at mainland vendor and has completed the purchase of equipment. Acquisition and installation of the NOC Equipment for INTECO's Broadband Network , Request for Proposal #4 was substantially completed.
2i.	<b>Equipment Deployment</b>	79	The vendor for Request for Proposal #3; Telecommunications Equipment, completed the staging of the microwave radios (integration and acceptance testing) at mainland vendor and has completed the purchase of equipment. Acquisition and installation of the NOC Equipment for INTECO's Broadband Network , Request for Proposal #4 was substantially completed.
2j.	<b>Network Testing</b>	79	The vendor for Request for Proposal #3; Telecommunications Equipment, completed the staging of the microwave radios (integration and acceptance testing) at mainland vendor and has completed the purchase of equipment. Acquisition and installation of the NOC Equipment for INTECO's Broadband Network , Request for Proposal #4 was substantially completed and is now ready for systems and integration testing.
2k.	<b>Other (please specify): Administrative Project Management</b>	72	We met the expenditures guidelines as per SAC with a 72% expenditures of the project to date.

**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).**

By developing a quadrant strategy and prioritizing the tower preparation and construction, INTECO has established an objective of activating the network and the operations in two of the largest quadrants in the region by late summer of 2012, ahead of the Grant schedule.

(a) The original baseline was prepared based on the planning and execution of activities, not based upon measurement of cash disbursement, which uses cash spent versus project total cash as the project progress measurement method. A number of planning elements such as permits, design, contacting, proposal evaluation, negotiation, lead times for equipment, lead times for construction and installation take a lot preliminary work /time and do not require a large amounts of cash disbursement. Therefore the progress made in the project, measured with the cash disbursement method is not recognized. We are taking steps to meet both planning activities and cash disbursement requirements in order to comply with the SAC goal of more than 67% completion of the project in two years, as measured in money drawdown's and 100% completion in the three years of the project. We have developed a quadrant strategy, dividing our network of 24 sites into four quadrants. We are assigning priorities to two quadrants where we will initialize the installation of equipment and eventually initiate operations in these areas first.

The initial two quadrants have 14 existing towers, 3 new towers and the command center. The site preparation and construction for 16 existing tower sites and procurement of all equipment for all sites was completed. Our current Project planning is updated, we met the 67% expenditure target in two years with a 72% expenditures disbursed and will meet the 100% in three years. We started with the longest lead time elements and a fast track strategy of implementation based upon a quadrant strategy which will ensure the execution of the project within the guidelines of NTIA.

**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	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	Variance from baseline of 15. Wireless microwave project is in construction stage. We have a target of initiating two major quadrants in late summer of 2012.
Number of new towers	16	Variance from baseline of 2. Additional existing tower lease contract completed. Wireless microwave project is in construction stage. We have a target of initiating two major quadrants in summer of 2012.
Number of new and/or upgraded interconnection points	2	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 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	1
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	2
Average term of signed agreements (in quarters)	12

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

WorldNet

**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:**

No wholesale services are currently being offered via the BTOP network at this stage. The BTOP Wireless microwave project is in construction stage. We have a target of initiating two major quadrants in summer of 2012.

**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	1	Variance from baseline of 1.
	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	No variance from baseline. For all future providers dedicated internet access at 2/1 mbps asymmetric, 6/2 mbps and 9/3 mbps.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Variance of 122 from baseline. Wireless microwave network is in construction stage. We have a target of initiating two major quadrants in late summer of 2012. We anticipate CAI's connections will initiate in the third quarter (Q3) of 2012.
	Subscribers receiving new access	0	Variance of 30 from baseline. Wireless microwave network is in construction stage. We have a target of initiating two major quadrants in late summer of 2012. We anticipate CAI's connections will initiate in the third quarter (Q3) of 2012.
	Subscribers receiving improved access	0	Variance of 91 from baseline. Wireless microwave network is in construction stage. We have a target of initiating two major quadrants in late summer of 2012. We anticipate CAI's connections will initiate in the third quarter (Q3) of 2012.
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance from baseline. For all future subscribers dedicated internet access at 2/1 mbps asymmetric, 6/2 mbps and 9/3 mbps. Dedicated Internet Access and Metro E will be available to all.
Residential / Households	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
Businesses	Entities passed	0	Variance of 303 from baseline. Wireless microwave network is in construction stage. We have a target of initiating two major quadrants in late summer of 2012. We anticipate business connections will initiate in the third quarter (Q3) of 2012.
	Total subscribers served	0	Variance of 30 from baseline. Wireless microwave network is in Construction Stage. We anticipate subscribers connections will initiate in the third quarter (Q3) of 2012.
	Subscribers receiving new access	0	Variance of 8 from baseline. Wireless microwave network is in Construction Stage. We anticipate subscribers receiving new access will initiate in the third quarter (Q3) of 2012.
	Subscribers receiving improved access	0	Variance of 22 from baseline. Wireless microwave network is in Construction Stage. We anticipate subscribers connections will initiate in the third quarter (Q3) of 2012.
	Please identify the speed tiers that are available and the number of subscribers for each	0	For all future subscribers; 2/1 mbps, 6/2 mbps and 9/3 mbps dedicated internet access and Metro E. Wireless microwave network is in construction stage. e have a target of initiating two major quadrants in late summer of 2012. We anticipate subscriber connections will initiate in the third quarter (Q3) of 2012.

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

Not applicable at this stage; construction stage.

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 at this stage, construction stage.

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
NONE	Central East Region of Puerto Rico	NONE	N/A	No anchor institution are connected to network. Network is in construction stage.  We will not have any CAI's connected in Q1-2012; we anticipate CAI's connections will initiate in the third quarter (Q3) of 2012.

**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 Q2-2012

1. Complete the NOC (network operational center) with all construction completed and equipment installed. The equipment required by the contract for Request for Proposal #4; "Acquisition and Implementation of the Central Office Equipment for INTECO's Broadband Network" will have installation and Network testing completed. This Request for Proposal covers all central office gear, servers, routers, switches, firewall, security, network operations management, HUAC, UPS, etc.  
Completed site preparation in fourteen existing tower sites. The construction of telecommunications towers has continued in a fast track mode, we expect to complete three new towers in this quarter and substantially complete a fourth site.

**MILESTONE #4 RIGHTS OF WAYS**

Activities Q2-2012

1. Completed existing tower lease contracts for total 16 existing tower sites. Completed land lease contracts for 6 sites. Will complete two additional lease contracts this quarter.

**MILESTONE #5 CONSTRUCTION PERMITS AND OTHER APPROVALS**

Activities Q2-2012

1. Continued work on permits submission for additional new tower sites. We have authorized construction permits for four new towers. We are expecting approval for three additional sites in this quarter.

**MILESTONE #6 SITE PREPARATION**

Activities Q2-2012

1. Complete site preparation in fourteen existing tower sites. The construction of telecommunications towers has continued in a fast track mode, we expect to complete three new towers in this quarter and substantially complete a fourth site.

**MILESTONE #7 EQUIPMENT PROCUREMENT**

Activities Q2-2012

1. Complete installation of telecommunication enclosures and telecommunication equipment installation in 14 existing tower sites. We are using a controlled system for inventory asset control and equipment tag identification for proper asset control for all equipment in diverse stages of installation

**MILESTONE #8 NETWORK BUILD**

Activities Q2-2012

1. Complete installation of telecommunication enclosures and telecommunication equipment installation in 14 existing tower sites. Complete equipment installation in two new tower sites.

**MILESTONE #9 EQUIPMENT DEPLOYMENT**

Activities Q2-2012

1. Complete installation of telecommunication enclosures and telecommunication equipment installation in 14 existing tower sites. Will complete installation of telecommunication enclosures and telecommunication equipment in two new tower sites. NOC Equipment for INTECO's Broadband Network, Request for Proposal #4 will be completed this quarter.

**MILESTONE #10 NETWORK TESTING**

Activities Q2-2012

1. Acquisition and installation of the NOC Equipment for INTECO's Broadband Network, Request for Proposal #4 will be completed and this quarter we will be completing quality checks, system integrity and integration testing.

**MILESTONE #11 OTHER: ADMINISTRATION AND PROJECT MANAGEMENT**

Activities Q2-2012

1. With our Project planning update and we completed the 72% expenditure target in two years and will meet the 100% in three years.

**INFRASTRUCTURE KEY INDICATOR #1 - NEW NETWORK MILES DEPLOYED (WHEN IN OPERATION)**

Activities Q2-2012

1. We are a tower based, microwave project which needs to be activated by quadrants so we have zero (0) network miles deployed as we are in the construction phase of the project.

**INFRASTRUCTURE KEY INDICATOR #2 - NEW NETWORK MILES LEASED**

Activities Q2-2012

1. We are a tower based, microwave project we have zero (0) network miles leased.

**INFRASTRUCTURE KEY INDICATOR #3 - NUMBER OF MILES OF FIBER (AERIAL OR UNDERGROUND)**

Activities Q2-2012

1. We are a tower based, microwave project which has zero (0) network miles deployed as we are in the construction phase of the project.

**INFRASTRUCTURE KEY INDICATOR #4 - NUMBER OF WIRELESS LINKS**

Activities Q2-2012

1. We are a tower based, microwave project which is in construction phase, we have zero (0) wireless links activated.

**INFRASTRUCTURE KEY INDICATOR #5 - NUMBER OF TOWERS (WHEN ERECTED/LEASE)**

Activities Q2-2012

1. Will complete three new tower construction in quadrants one and two and complete two additional lease agreements for sites in quadrants three and four.

**INFRASTRUCTURE KEY INDICATOR #6 - NUMBER OF INTERCONNECTIONS POINTS**

Activities Q2-2012

1. We have one signed interconnection agreement.

**INFRASTRUCTURE KEY INDICATOR #7 - NUMBER OF SIGNED AGREEMENTS WITH BROADBAND WHOLESALERS OR LAST MILE PROVIDERS**

Activities Q2-2012

1. We have one signed wholesale agreement.

**INFRASTRUCTURE KEY INDICATOR #8 - NUMBER OF POTENTIAL AGREEMENTS WITH BROADBAND WHOLESALERS OR LAST MILE PROVIDERS**

Activities Q2-2012

1. We will add one additional signed wholesale agreement.

**INFRASTRUCTURE KEY INDICATOR #9 - FEDERAL GRANT EXPENDITURES**

Activities Q2-2012

1. Expected Federal Grant expenditures in the 2nd quarter 2012 will be \$1,468,000.00 .

**INFRASTRUCTURE KEY INDICATOR #10A - TOTAL SUBSCRIBERS SERVED (CAIs CONNECTED)**

Activities Q2-2012

1. We are a tower based, microwave project which will be activated by quadrants, we are in the construction phase of the project so we have zero (0) CAI's which we will connect in Q2-2012 . We expect CAI subscribers in the Q3-2012 when we start activating the network in the Caguas/Cayey/Gurabo quadrant.

**INFRASTRUCTURE KEY INDICATOR #10B - BUSINESS ENTITIES PASSED AND TOTAL SUBSCRIBERS SERVED**

Activities Q2-2012

1. We are a tower based, microwave project we are in the construction phase of the project so we have zero business entities passed and no subscribers served.

**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.	<b>Overall Project</b>	82	Initial delay due to Time to complete network design update and Environmental Assessment. New tower construction, in process.
2b.	<b>Environmental Assessment</b>	100	Received FONSI approval (Finding of No Significant Impact) received on November 23, 2010.
2c.	<b>Network Design</b>	100	Network redesign update completed.
2d.	<b>Rights of Way</b>	82	Completed lease contracts for total 16 existing tower sites. Complete land lease contracts for two additional sites. All lease agreements will be completed by Q3 2012.
2e.	<b>Construction Permits and Other Approvals</b>	83	Submission of permits, included soil studies, terrain elevation and foundation design, to the responsible Puerto Rican permits agency for three additional sites, We expect these three sites to be approved in this quarter. We have authorization granted for the construction of four new telecommunications towers. We initially underestimated the time it would take to get construction permits for new tower construction. All permits for construction will be completed by Q3 2012.
2f.	<b>Site Preparation</b>	63	Will completed Site Preparation & Construction on 16 existing tower sites. Will complete three new tower construction sites and substantially complete a fourth site. All site prep will be concluded by end of Q4 2012.
2g.	<b>Equipment Procurement</b>	85	The vendor for Request for Proposal #3; Telecommunications Equipment, has completed the purchase of equipment. We developed a system to provide inventory asset control and equipment tag identification for proper asset control for all equipment in diverse stages of being received, staged and implemented. Acquisition and installation of the NOC Equipment for INTECO's Broadband Network was substantially completed.
2h.	<b>Network Build (all components - owned, leased, IRU, etc.)</b>	84	The vendor for Request for Proposal #3; Telecommunications Equipment, completed the staging of the microwave radios (integration and acceptance testing) at mainland vendor and has completed the purchase of equipment. Acquisition and installation of the NOC Equipment for INTECO's Broadband Network , Request for Proposal #4 was substantially completed.
2i.	<b>Equipment Deployment</b>	84	Delay in completing network redesign update and Environmental Assessment process. We will receive 90% or more of all equipment for Request for Proposal #3; Telecommunications Equipment. Request for Proposal #4; Acquisition and Implementation of the Central Office Equipment for INTECO's Broadband Network, all equipment to be received and installed to begin acceptance testing and integration testing.
2j.	<b>Network Testing</b>	84	The vendor for Request for Proposal #3; Telecommunications Equipment, completed the staging of the microwave radios (integration and acceptance testing) at mainland vendor and has completed the purchase of equipment. Acquisition and installation of the NOC Equipment for INTECO's Broadband Network , Request for Proposal #4 was substantially completed and is now ready for acceptance testing, systems and integration testing.

	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	86	We met the expenditures guidelines as per SAC with a 72% expenditures of the project to date. All major proposals for acquisition of telecommunications equipment and network equipment will be completed and installation initiated with most equipment installed. A strategy of quadrant priorities was implemented which will ensure we meet the expenditures guidelines. We have targeted the summer of 2012 to initiate the two major quadrants in the network.

**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).**

1. Strategy to meet substantial completion on project.

(a) We have developed a quadrant strategy, dividing out network of 24 towers and the command center into four quadrants. We are assigning priorities to two quadrants where we will initialize the installation of equipment and eventually initiate operations in these areas first. The initial two quadrants have 14 existing towers, 3 new towers and the command center. The site preparation for 16 of these sites and the equipment for all sites will be completed by June 2012.

(b) We have updated our project management tasks and the activities with latest information and experiences. Activities are being reviewed to integrate steps and assure the completion of the testing of the equipment and completing the network in the remaining two quadrants.

(c) The project is now completing contract processes and equipment has been installed and testing initiated. We have met the cash disbursement requirements of the SAC goal of more than 67% completion of the project with a 72% project completion in the first two years of the project and will complete 100% in the three years of the project.

**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	\$1,662,000	\$400,000	\$1,262,000	\$1,252,761	\$130,006	\$1,122,755	\$1,438,761	\$177,006	\$1,261,755
b. Land, structures, right-of-ways, appraisals, etc.	\$4,405,650	\$3,012,500	\$1,393,150	\$2,523,235	\$2,045,749	\$477,486	\$2,830,235	\$2,189,749	\$640,486
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$178,000	\$0	\$178,000	\$157,000	\$0	\$157,000	\$162,000	\$0	\$162,000
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	\$2,038,396	\$0	\$2,038,396	\$338,054	\$0	\$338,054	\$1,178,054	\$0	\$1,178,054
j. Equipment	\$7,429,453	\$0	\$7,429,453	\$7,127,939	\$0	\$7,127,939	\$7,427,939	\$0	\$7,427,939
k. Miscellaneous	\$630,175	\$0	\$630,175	\$416,651	\$0	\$416,651	\$437,651	\$0	\$437,651
<b>l. SUBTOTAL (add a through k)</b>	<b>\$16,343,674</b>	<b>\$3,412,500</b>	<b>\$12,931,174</b>	<b>\$11,815,640</b>	<b>\$2,175,755</b>	<b>\$9,639,885</b>	<b>\$13,474,640</b>	<b>\$2,366,755</b>	<b>\$11,107,885</b>
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>n. TOTALS (sum of l and m)</b>	<b>\$16,343,674</b>	<b>\$3,412,500</b>	<b>\$12,931,174</b>	<b>\$11,815,640</b>	<b>\$2,175,755</b>	<b>\$9,639,885</b>	<b>\$13,474,640</b>	<b>\$2,366,755</b>	<b>\$11,107,885</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: \$0	b. Program Income to Date: \$0
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