

RECIPIENT NAME:Charlotte, City of
AWARD NUMBER: NT10BIX5570088
DATE: 02/01/2012

OMB CONTROL NUMBER: 0660-0037
EXPIRATION DATE: 12/31/2013

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 NT10BIX5570088	3. DUNS Number 071064166
4. Recipient Organization Charlotte, City of 600 East Fourth Street , Charlotte, NC 28202-2816		
5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2011	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" 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 Nelson Baker Project Manager	7c. Telephone (area code, number and extension) 7043364435	
	7d. Email Address Nelson.Baker@MecklenburgCountyNC.gov	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 02-01-2012	

Project Indicators (This Quarter)

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

In the fourth quarter of 2011, Charlotte kicked off their Implementation Project with the recently awarded implementation vendor, Alcatel-Lucent (ALU).

Alcatel-Lucent's 4th quarter Implementation Activities included:

- Completed an implementation Project Plan, a High Level Network Design Document including cellular site locations, design details for the Charlotte based Data Center and Design details of the EPC Network Core which will be hosted by ALU.
- Ongoing activities include surveys of all the planned eNodeB sites, for antenna design, and microwave path design. approximately 75% complete.

Charlotte's Grant Reporting Activities for the quarter include:

- Submission of a revised budget plan to match the new ALU solution.
- Submission of a revised Network Route Plan as designed by ALU.
- Submission of a new environmental assessment project description report which lead to Charlotte obtaining a Categorical Exclusion for the environmental special award condition.

Charlotte's program level activities and accomplishments for the quarter include:

- Coordinated with many National and State entities to ensure then new system (CharMeck Connect) is designed and implemented according to Federal Communications Commission Orders.
- Preparation of Charlotte's Interoperability showing for the FCC.
- Began procurement activities to purchase new network compliant devices.

* Please note: Charlotte actually completed much more on project milestones as indicated in the status above than indicated in the percent complete column in table 2 below. Charlotte received over \$3 million in deliverable milestone invoices in mid December, but was not able to get these paid or draw down grant funds before the quarter ended. Therefore the table below does not accurately reflect the true progress made but only the financial activity encumbered as of December 31 2011.

Charlotte also is working off a new program budget beginning this quarter.

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	3	Not 21%. First quarter working with selected vendor. Made large strides that are not reflected in this percentage mainly due to missing end date to pay invoices. See above note.
2b.	Environmental Assessment	95	Not 100% Obtained Categorical Exclusion. Plan to complete in 1st quarter 2012.
2c.	Network Design	50	Not 100%. High level Design was delivered in December. Plans to complete Design in 1st quarter 2012.
2d.	Rights of Way	15	No Variance
2e.	Construction Permits and Other Approvals	0	No Variance
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	0	Not 5%. Phase 1 Equipment planned for 1st Quarter 2012
2h.	Network Build (all components - owned, leased, IRU, etc)	0	No Variance
2i.	Equipment Deployment	0	No Variance
2j.	Network Testing	0	No Variance
2k.	Other (please specify): a. Admin. & Legal, d. Arch & Engr.	20	Not 50%. Mainly due to re-budgeting. Will see improvement in Q1 2012

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).

Charlotte did complete the following original baseline milestones, Project Kickoff, System Design Studies and Finalize a High Level Network Design. However, according to the original baseline milestones for this given period, Charlotte was unable to accomplish,

Equipment Manufacturing, Obtain Site Permits for Tower work and begin Installation of microwave equipment.

Charlotte appreciates the guidance provided by NTIA that lead to the acceptance of our budget modification, route modification and Categorical Exclusion filed in order to better align with our new project direction and vendor solution.

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
New network miles leased	0	N/A
Existing network miles upgraded	0	N/A
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	0	N/A
Number of new wireless links	0	No Variance
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	No Variance

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	0
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	0
Average term of signed agreements (in quarters)	0

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

5c. What wholesale services are being provided by this project? Please describe below. As an attachment to this report, please provide pricing plans (in \$ per month) associated with each wholesale service provided by your product (100 words or less). Wholesale services description:
 N/A

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

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	0	N/A
	Providers with signed agreements receiving improved access	0	N/A
	Providers with signed agreements receiving access to dark fiber	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	No Variance
	Subscribers receiving new access	0	No Variance
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number or subscribers for each	0	Network not operational at this time.
Residential / Households	Entities passed	0	N/A
	Total subscribers served	0	N/A
	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	N/A
	Total subscribers served	0	N/A
	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

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

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
N/A	N/A	N/A	N/A	N/A

Project Indicators (Next Quarter)

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

Charlotte's Implementation planned accomplishments for Q1 2012 include:

- Alcatel-Lucent will continue with Low level design work and test plans.
- There will be heavy emphasis on preparation for site work at the cell site locations to include site walks, leasing, structural mapping and analysis, physical design specifications and permitting that will be required for Phase 1 installation and integration activities.
- Design Teams will complete specifications (path surveys and overall physical design of the Microwave/IP Backhaul network) and file for frequency licenses on behalf of the project.
- In support of Phase 1 a Bill of Materials will be defined the networking equipment, systems ordered, manufactured and procured for staging activity and then delivered to Charlotte
- Alcatel-Lucent will also perform interoperability testing with City selected vendors of user devices.

Charlotte's program level activities planned for completion Q1 2012 include:

- InterOp Showing to FCC
- PSST Spectrum Lease Execution Complete
- State of NC CIO Confirmation of Coordination
- Complete RFI for IPX Services and Provider Contracting Process
- Networking and Interworking Low Level/Detailed Designs Finalized (includes PLMN ID and related matters & Core N/W and ePC LLD/DD Activities)
- Device Provisioning Process Design
- PSCR Testing w/Devices
- Devices Testing Completed: IODT using ALU IODT Group
- Phase 1 Policy Definitions and Applications Support Complete
- Devices: Vendor Selections Finalized

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	20	Not 59%. Charlotte expects to be back on course by end of Q2 2012.
2b.	Environmental Assessment	100	No Variance
2c.	Network Design	100	No Variance
2d.	Rights of Way	32	Not 29%. Charlotte expects to be on course by end of Q2 2012.
2e.	Construction Permits and Other Approvals	75	Not 100%. Charlotte expects to complete all permitting by June 2012.
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	13	Not 100%. Charlotte expects to have all equipment delivered by mid Q2 2012.
2h.	Network Build (all components - owned, leased, IRU, etc.)	0	No Variance
2i.	Equipment Deployment	0	No Variance
2j.	Network Testing	0	No Variance
2k.	a. Admin. &	52	Not 58%. Mostly due to Re-budgeting

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	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
	Other (please specify): Legal,		
	d Arch & Engr		<p>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).</p> <p>Program level activities involving FCC orders or possible delayed actions on FCC part.</p> <p>The following Infrastructure Budget Details reflect a NEW BUDGET. Budget modification approved in December 2011.</p>

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	\$1,284,094	\$469,600	\$814,494	\$380,005	\$289,193	\$90,812	\$622,016	\$334,343	\$287,673
b. Land, structures, right-of-ways, appraisals, etc.	\$2,123,797	\$520,159	\$1,603,638	\$318,953	\$318,953	\$0	\$697,590	\$318,953	\$378,637
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$859,911	\$0	\$859,911	\$41,312	\$0	\$41,312	\$482,648	\$0	\$482,648
e. Other architectural and engineering fees	\$920,857	\$0	\$920,857	\$0	\$0	\$0	\$828,113	\$0	\$828,113
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$5,990,044	\$0	\$5,990,044	\$0	\$0	\$0	\$354,370	\$0	\$354,370
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$9,576,630	\$3,400,195	\$6,176,435	\$0	\$0	\$0	\$1,271,095	\$0	\$1,271,095
k. Miscellaneous	\$337,110	\$0	\$337,110	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$21,092,443	\$4,389,954	\$16,702,489	\$740,270	\$608,146	\$132,124	\$4,255,832	\$653,296	\$3,602,536
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$21,092,443	\$4,389,954	\$16,702,489	\$740,270	\$608,146	\$132,124	\$4,255,832	\$653,296	\$3,602,536

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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