

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 NT10BIX5570135	3. DUNS Number 961890741
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4. Recipient Organization

 Information Technology, Maryland Department of 45 Calvert Street, Annapolis, MD 21401-1994

5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2012	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 Gregory Urban Deputy State CIO	7c. Telephone (area code, number and extension) 4102607279
	7d. Email Address gregory.urban@doit.state.md.us

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-25-2012
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Project Indicators (This Quarter)

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

The project focus is shifting from engineering to construction.

Nearly 97% of the route, or 1330 miles have been awarded to engineering vendors, and of that total, 1071 miles or 78% of the route have been fully engineered and submitted to permitting agencies. Permits have already been received for over 603 of the route miles or 44% of the route total.

Aerial attachment agreements are signed with all utility pole owners and attachment applications are being submitted. The utility companies include; Baltimore Gas and Electric (BGE), Verizon, Alleghany Power, Delmarva Power, PEPSCO, Hagerstown Light, Berlin Electric, Antietam Cable, and Choptank Electric. Make ready work has begun on 110 miles of the 400 aerial fiber route miles. Of that total, 25 miles have been completed and installed with fiber.

Materials procurements continue with \$3,457,072 of fiber received, or 32% of the total contract award valued at \$10,819,850. Additionally, over \$4,617,519 of Network Equipment and Communications huts have been received.

Construction has begun in 18 counties and 1 city in the state of Maryland; Anne Arundel Co, Annapolis Co, Baltimore Co, Baltimore City, Calvert Co, Carroll Co, Caroline Co, Cecil Co, Charles Co, Fredrick Co, Harford Co, Howard Co, Kent Co, Montgomery Co, Prince George's Co, Queen Anne's Co, Saint Mary's Co, Talbot Co, Wicomico Co, & Worcester Co, as well as Baltimore City.

To date, of the total 1373 planned miles, 384 miles of conduit have been installed or 39% of the total underground path. Of that total, 171 miles of fiber have been installed. Additionally, 25 miles of aerial fiber have been installed yielding a combined total of 196 miles or 14% of total route mileage. Additionally, 11 Community Anchor Institutions (CAIs) sites have been connected out of 1006 CAIs.

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	26	\$41,858,283 is being reported, 39% was planned. Please see details below for explanation.
2b.	Environmental Assessment	100	Milestone Completed.
2c.	Network Design	34	Planned was 56%. Over 97% of the route is currently in engineering, being permitted or in construction and network logical design is well under way.
2d.	Rights of Way	44	Planned was 56% Over 78% of the route has been submitted to permitting agencies. We have received permits for over 44% of the route mileage so far. As the engineering phase of the project is being completed, the number of permit submissions and approvals will significantly increase through to the next reporting quarter.
2e.	Construction Permits and Other Approvals	44	Planned was 56% Over 78% of the route has been submitted to permitting agencies. We have received permits for over 44% of the route mileage so far. As the engineering phase of the project is being completed, the number of permit submissions and approvals will significantly increase through to the next reporting quarter.
2f.	Site Preparation	10	Planned was 70%. Hut orders were completed in December 2011 with its first delivery made in Q1 and subsequent deliveries in Q2 & final delivery and installation in Q3.
2g.	Equipment Procurement	14	Planned was 38%. Over \$4.2M in equipment purchases have already been made. Additionally, \$10M of equipment procurements are currently in process (for Q2 2012). Note: in Q4 2011, the program reported 20% complete. Some expenses were reclassified in Q1 2012 resulting in drop in % Complete for Equipment. The expected equipment

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			expenditures are now expected in Q2 2012 and should return the % Complete back to 20%.
2h.	Network Build (all components - owned, leased, IRU, etc)	27	Planned was 32%. Construction is currently occurring in 18 counties. Contracts have been awarded for the remaining 5 counties as work is being tasked, construction is increasing exponentially. Note: last quarter we were at 11% complete. We expect to be in construction in all 24 counties by June 2012.
2i.	Equipment Deployment	11	Planned was 33%. Network architecture designs are ongoing, equipment deployment and procurement will maintain pace with the network build.
2j.	Network Testing	5	Planned was 56%. We anticipate network testing during the upcoming quarters as the completion of the network build occurs. Note: last quarter we were at 2% complete.
2k.	Other (please specify): Administration	38	Planned was 56%. As construction gains momentum during the next reporting quarters, we anticipate that we will obtain our project goals.

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).

1) One of our main challenges for this reporting quarter was obtaining make ready estimates from the utility companies in a timely manner. Ride-out scheduling challenges have occurred for various utility companies as their resources have limited capacity. We have weekly meetings with the utility companies to aggressively manage this process.

In some cases our mitigation has been to convert aerial miles to underground construction.

2) A second challenge is the finalization of easements and permits to place Communication Huts in some locations i.e. Annapolis, La Plata and Aberdeen.

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	196	Planned was 362. Construction will continue ramping up in multiple counties. Contracts have been awarded to 22 construction companies and as work is being tasked, construction is increasing exponentially. Note: We more than doubled our total from last quarter. We expect to be in construction through out the entire state of Maryland in June 2012. Currently we have installed over 384 miles of conduit and begun 110 miles of aerial make ready work. These numbers are not captured in the reporting for this milestone, which we do not report until fiber is pulled and spliced into the newly constructed conduit.
New network miles leased	0	N/A
Existing network miles upgraded	254	This mileage represents the MDBC in kind fiber contribution to the project.
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	196	Planned was 362. Construction will continue ramping up in multiple counties. Contracts have been awarded to 22 construction companies and as work is being tasked, construction is increasing exponentially. Note: We more than doubled our total from last quarter. We expect to be in construction through out the entire state of Maryland in June

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
		2012. Currently we have installed over 384 miles of conduit and begun 110 miles of aerial make ready work. These numbers are not captured in the reporting for this milestone, which we do not report until fiber is pulled and spliced into the newly constructed conduit.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	4	23 interconnection points were planned. Four connections were made on fiber from a resource share agreement between the state and the MdBC. At this point we do not yet have sufficient fiber miles built to begin other connections.

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	8
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	12
Average term of signed agreements (in quarters)	24

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: MdBC is our wholesale provider and have signed agreements with various last mile providers. The latest listing was provided on the Q4-2011 PPR.

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 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	8	Currently signed 8 agreements with wholesalers receiving improved access.
	Providers with signed agreements receiving access to dark fiber	0	Planned was 2. At least twelve formal agreements are being negotiated.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	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	11	Planned was 191 CAI's. Construction has begun ramping up in 18 counties. The total subscribers served will increase exponentially as construction continues to ramp up. We have sufficient materials on hand to support rapid ramp up. 1GB speeds are now available for the community anchor institutions such as Public Safety & Government Facilities.
	Subscribers receiving new access	11	Planned was 191 CAI's. Construction has begun ramping up in 18 counties. The total subscribers served will increase exponentially as construction continues to ramp up. We have sufficient materials on hand to support rapid ramp up. 1GB speeds are now available for the community anchor institutions such as Public Safety & Government Facilities.
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number or subscribers for each	11	10- CAIs at 1GB 1- CAI at 100Mbps
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)	Type of Anchor Institution (as)	Are you also the broadband	Narrative description of how anchor institutions are using BTOP-funded infrastructure
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	or county)	defined in your baseline)	service provider for this institution? (Yes / No)	
Lake Forest Transit Center	Mongomery Co.	Gvmt Facility Other	No	1GB of high-speed Internet access will improve intergovernmental coordination

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 Our engineering efforts have passed their peak and are nearing completion, while construction continues a rapid ramp up. The following are our indicators for the next reporting quarter.

Engineering:
 • Engineering is nearly completed and coming to closure for the outside-plant. The logical network engineering is in process.

Permitting :
 • Rights of Way (ROW) permitting: At least 95% of the underground permits will have been received from State Highway Administration (SHA), county, and municipal authorities. We expect to receive at least 50% of our aerial attachment permits.
 • Aerial Utility permitting: Continue submitting aerial permit applications for the various utility companies. The utility companies include; Baltimore Gas and Electric (BGE), Verizon, Potomac Edison, Delmarva Power, PEPCO, Hagerstown Light, Berlin Electric, and Choptank Electric.
 • Environmental: We've been receiving permits from the US Army Corps of Engineers (USACE) and Maryland Department of Environment (MDE) for tidal and non-tidal wetlands crossings. This will be an ongoing process throughout the construction phase. We have begun construction across several permitted environmental resource areas.
 • Rail Road Crossings: We have been executing licensing agreements and receiving permits from the railroad companies. We expect to have executed agreements with CSX, Maryland & Delaware Rail Road, Maryland Midland Rail Ways, Bay Coast Rail Road. We are currently in the process of executing licensing agreements with the remaining Rail Road companies; Amtrak, George's Creek, and Metropolitan Transit Authority (MTA), Washington Metropolitan Transit Authority (WMTA).

Fiber Procurement:
 • We expect continued receipt of fiber and related materials at our centralized warehouse locations in sufficient quantities to prevent construction delays.

Equipment Procurement:
 • Continue the procurement of the OMBN equipment, with over \$10M in equipment purchases to be made within the next reporting quarter.

Construction:
 • With construction in the 18 counties and city already started, we anticipate starting in 5 other counties during the next quarter; Allegany Co, Dorchester Co, Garrett Co, Somerset Co, & Washington Co. This will bring our active construction to all of Maryland's 23 counties and Baltimore City by the next reporting quarter.

Key project Indicators:
 a. New network miles deployed= 494
 b. New network miles leased= 0
 c. Total CAI subscribers served (CAIs connected)= 218
 d. Number of signed agreements with broadband wholesalers or last mile providers= 9

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	48	We anticipate our planned percentage to rapidly increase as the construction phase continues ramping up.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2b.	Environmental Assessment	100	Milestone is at a 100% (Completed)
2c.	Network Design	48	Preliminary logical diagraming is currently being completed. Detailed splice engineering begins. Plant infrastructure design will be completed.
2d.	Rights of Way	58	We anticipate receiving ROW permits as needed in all counties in the next reporting quarter.
2e.	Construction Permits and Other Approvals	58	We anticipate receiving pole attachment licenses from multiple utilities as well as encroachment agreements from multiple Railroads.
2f.	Site Preparation	20	Hut orders were completed in December 2012 with the first delivery in Q1 and subsequent deliveries in Q2 & final delivery and installation in Q3.
2g.	Equipment Procurement	40	\$7M of equipment procurements are currently in process.
2h.	Network Build (all components - owned, leased, IRU, etc.)	51	The network build component will increase exponentially as construction continues to ramp up.
2i.	Equipment Deployment	15	Network architecture designs are ongoing. Equipment deployment will maintain pace with equipment procurement and network build.
2j.	Network Testing	10	Network testing will lag other metrics due to the need to have contiguous fiber paths and CAI/POP connections, which will not occur until later in the project.
2k.	Other (please specify): Administration	42	As construction gains momentum during the next reporting quarters, we anticipate that we will obtain our project goals.

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).

The following issues may cause some challenges,

1) Our main concern for the next reporting quarter is obtaining make ready estimates from the utilities companies in a timely manner. Ride-out scheduling challenges may occur for various utility companies as their resources have limited capacity. We have weekly meetings with the utility companies to aggressively manage this process.

In some cases our mitigation will be to convert aerial miles to underground construction.

2) A second potential challenge is the ability of locating companies to keep up with the volume of locate tickets from Miss Utility.

3) A third potential challenge is the finalization of easements and permits to place Communication Huts in some locations i.e. Annapolis, La Plata and Aberdeen.

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	\$12,479,100	\$7,394,000	\$5,085,100	\$4,795,487	\$2,279,328	\$2,516,159	\$5,299,273	\$2,328,029	\$2,971,244
b. Land, structures, right-of-ways, appraisals, etc.	\$1,350,000	\$0	\$1,350,000	\$411,089	\$0	\$411,089	\$411,089	\$0	\$411,089
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$15,550,369	\$5,039,020	\$10,511,349	\$3,129,924	\$0	\$3,129,924	\$4,717,629	\$0	\$4,717,629
e. Other architectural and engineering fees	\$6,109,850	\$2,869,099	\$3,240,751	\$4,276,775	\$602,662	\$3,674,113	\$5,622,500	\$1,574,300	\$4,048,200
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	\$93,402,141	\$18,671,661	\$74,730,480	\$25,038,578	\$6,254,951	\$18,783,627	\$48,053,404	\$11,844,779	\$36,208,625
j. Equipment	\$29,211,582	\$8,888,681	\$20,322,901	\$4,206,430	\$1,953,252	\$2,253,178	\$11,638,946	\$4,276,135	\$7,362,811
k. Miscellaneous	\$313,479	\$313,479	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$158,416,521	\$43,175,940	\$115,240,581	\$41,858,283	\$11,090,193	\$30,768,090	\$75,742,841	\$20,023,243	\$55,719,598
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$158,416,521	\$43,175,940	\$115,240,581	\$41,858,283	\$11,090,193	\$30,768,090	\$75,742,841	\$20,023,243	\$55,719,598

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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