

**QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS**

**General Information**

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| <b>1. Federal Agency and Organizational Element to Which Report is Submitted</b><br><br>Department of Commerce, National Telecommunications and Information Administration | <b>2. Award Identification Number</b><br><br>NT10BIX5570135 | <b>3. DUNS Number</b><br><br>961890741 |
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| <b>4. Recipient Organization</b><br><br>Information Technology, Maryland Department of 45 Calvert Street, Annapolis, MD 21401-1994 |
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| <b>5. Current Reporting Period End Date (MM/DD/YYYY)</b><br><br>09-30-2012 | <b>6. Is this the last Report of the Award Period?</b><br><br><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.

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| <b>7a. Typed or Printed Name and Title of Certifying Official</b><br><br>Gregory Urban<br><br>Deputy State CIO | <b>7c. Telephone (area code, number and extension)</b><br><br>4102607279 |
|  | <b>7d. Email Address</b><br><br>gregory.urban@doit.state.md.us           |

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| <b>7b. Signature of Certifying Official</b><br><br>Submitted Electronically | <b>7e. Date Report Submitted (MM/DD/YYYY):</b><br><br>11-20-2012 |
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**Project Indicators (This Quarter)**

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

The project is in construction in every county in the state of Maryland.

Of the planned 1368 route miles, 99%, or 1360, miles have been awarded to engineering vendors. Of that total, 1322 miles, or 97% of the route total, have been fully engineered and submitted to permitting agencies. Permits have been received for over 1060 route miles or 77% of the route total.

Aerial attachment agreements have been executed with the 9 utility pole owners throughout the state. Make ready work has begun on 260 miles of the 314 mile planned aerial route. Of that total, 89 miles have been completed and installed with fiber. Of the total 1054 planned underground miles, 828 miles of conduit have been installed or 79% of the total underground mileage. Of that total, 629 miles of fiber have been installed, representing 60% of our total underground mileage.

Construction has been completed for:

- Talbot County and the 3 CAIs are connected
- Charles County and the 8 CAIs are connected

Construction is in full swing in the remaining 22 counties and 1 City: Allegany Co, Anne Arundel Co, Baltimore Co, Baltimore City, Calvert Co, Caroline Co, Carroll Co, Cecil Co, Fredrick Co, Dorchester Co, Garrett Co, Harford Co, Howard Co, Kent Co, Montgomery Co, Prince George's Co, Queen Anne's Co, Saint Mary's Co, Somerset Co, Washington Co, Wicomico Co, and Worcester Co.

Overall, 718 miles of fiber has been deployed out of the planned 1368 route miles, or 52% of the total. Additionally 128 Community Anchor Institutions (CAIs) sites have been connected out of 1006 CAIs (cumulative).

**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  | 61               | \$95,968,567.00 is being reported, 67% was planned. Please see details below for explanation.  |
| 2b. | Environmental Assessment                                 | 100              | Milestone Completed.   |
| 2c. | Network Design   | 71               | Planned was 82%. Over 99% of the route total has been fully engineered, and is being permitted or in construction. Network logical designs are being completed in conjunction with construction.   |
| 2d. | Rights of Way  | 77               | Planned was 82%. Over 97% of the route has been submitted to the permitting agencies. Now that engineering phase of the project is coming to a close the number of permits received will continue to increase through the next quarter.  |
| 2e. | Construction Permits and Other Approvals                 | 77               | Planned was 82%. Over 97% of the route has been submitted to the permitting agencies and permits received for 77% of the route. Now that engineering phase of the project is coming to a close the number of permits received will continue to increase through the next quarter.  |
| 2f. | Site Preparation   | 55               | Planned was 81%. All 14 Huts were ordered in December 2011. The first 4 Huts were delivered in Q1. The 4 Huts were installed in Q2 ,with subsequent deliveries and installation of the Huts in Q3 and Q4. Final installation of all Huts are scheduled to be completed in Q1 2013. |
| 2g. | Equipment Procurement                                    | 28               | Planned was 61%. A total of \$8,136,853 is reported as spent for equipment. We anticipate this figure to increase significantly during our Q1 2013 reporting period.   |
| 2h. | Network Build (all components - owned, leased, IRU, etc) | 54               | Planned was 64%. Currently construction is occurring in 22 Jurisdictions. Two Jurisdictions have been completed.   |
| 2i. | Equipment Deployment                                     | 16               | Planned was 49%. Equipment deployment and procurement is maintaining pace with the network build out.  |

|     | Milestone                              | Percent Complete | Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer) |
|-----|--|------------------|---|
| 2j. | Network Testing                        | 13               | Planned was 49%. As buildout of the network occurs, network testing will follow equipment deployment.                           |
| 2k. | Other (please specify): Administration | 47               | Planned was 72%. We continue to find efficiencies in our program management allowing us to contain overhead cost.               |

**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).**

The past quarter saw tremendous progress in fiber placement in newly constructed underground conduit, as well as a rapid increase in the rate of CAI connections. There are no major challenges impeding overall conduit placement and fiber construction, and we expect to be able to continue at recent rates of production. However, there are certain location-specific challenges that are being managed actively:

1. Permits and easements for private and municipal crossings – while still within anticipated time frames, the processes requiring legal review among the participant jurisdictions and either private land owners or municipal permitting authorities continue to represent the longer lead-time items over which the project team has less direct control. The vast majority of agreements required for gas pipeline crossings, railroad crossings, and municipal permitting have been executed, with few outstanding agreements remaining.
2. Utility pole make-ready engineering and construction costs – unexpectedly high costs for make-ready construction required for utility pole attachments continue to drive designs towards underground construction, creating minor delays associated with revising engineering plans and validating costs assessed by utility pole owners. We believe the full extent of these challenge areas have been identified and are being actively addressed.

**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                           | 718   | Planned was 569. We have installed over 828 miles of conduit and begun 260 miles of aerial make ready work. These numbers are not captured in our reports since we do not report them until fiber is pulled and spliced. |
| 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) | 718   | Planned was 569. We have installed over 828 miles of conduit and begun 260 miles of aerial make ready work. These numbers are not captured in our reports since we do not report them until fiber is pulled and spliced. |
| Number of new wireless links                         | 0     | N/A  |
| Number of new towers                                 | 0     | N/A  |
| Number of new and/or upgraded interconnection points | 21    | 31 interconnection points were planned. The build-out has not yet reached most of the planned interconnection points.  |

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                     | 10 |
| Number of agreements currently being negotiated with broadband wholesalers or last mile providers | 33 |

| Indicators  |   |       |   |
|---|---|-------|---|
| Average term of signed agreements (in quarters)   |   | 24    |   |
| <p><b>5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:</b></p> <p>Agreements have been signed with the following last mile providers:</p> <p>ISPs (6 circuits): AboveNet (3 circuits), Atlantic Broadband, Bay Country Communications, FiberLight<br/>                     Utilities (2 circuits): Easton Utilities (2 circuits)<br/>                     Cooperatives (1 circuit): Eastern Shore of Virginia Broadband (1 circuit)<br/>                     Broadstripe (Agreement for dark fiber signed with Anne Arundel County to provide last mile services to approximately 600 unserved residences)</p> |   |       |   |
| <p><b>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:</b></p> <p>N/A</p>  |   |       |   |
| <p><b>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).</b></p> <p>N/A</p>  |   |       |   |
| <p><b>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).</b></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                                     | 0     | N/A   |
|   | Providers with signed agreements receiving improved access                                | 10    | Currently we have signed 10 agreements with wholesalers receiving improved access   |
|   | Providers with signed agreements receiving access to dark fiber                           | 0     | Planned was 3. At least 1 agreement is being negotiated.  |
|   | 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  | 128   | Planned was 443. Now that construction is actively ongoing in all 24 counties, the number of subscribers served will increase during the next reporting quarters. 1GB of high-speed internet access is available to the current subscribers being served. |
|   | Subscribers receiving new access  | 128   | Planned was 443. Now that construction is actively ongoing in all 24 counties, the number of subscribers served will increase during the next reporting quarters. 1GB of high-speed internet access is available to the current subscribers being served. |
|   | Subscribers receiving improved access   | 0     | N/A   |
|   | Please identify the speed tiers that are available and the number or subscribers for each | 128   | 127- CAIs at 1GB<br>1-CAI at 100 Mbps   |
| 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     | 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 |
|---|-------------------------------|--|--|---|
| Ballenger Creek Park Multi Purpose Building | Frederick Co.                 | Other Government Facilities                              | No   | 1GB of high-speed Internet access will improve Internet accessibility                 |
| Walkersville Library                        | Frederick Co.                 | Libraries  | No   | 1GB of high-speed Internet access will improve Internet accessibility                 |
| Northeast Community Center                  | Calvert Co.                   | Other Community Support Organization                     | No   | 1GB of high-speed Internet access will improve Internet accessibility                 |
| North Beach VFD                             | Calvert Co.                   | Public Safety Entity                                     | No   | 1GB of high-speed Internet access will improve safety coordination                    |
| Beach Elementary School                     | Calvert Co.                   | Schools (K-12)   | No   | 1GB of high-speed Internet access will improve educational instruction                |
| Windy Hill Middle School                    | Calvert Co.                   | Schools (K-12)   | No   | 1GB of high-speed Internet access will improve educational instruction                |
| St. Mary's College Of Maryland              | St. Mary's Co.                | Other Institution of Higher Education                    | No   | 1GB of high-speed Internet access will improve educational instruction                |

| 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                 |
|--|-------------------------------|--|--|---|
| Easton MVA Office                        | Talbot Co.                    | Other Government Facilities                              | No   | 1GB of high-speed Internet access will improve intergovernmental and intergovernmental communications |
| Talbot County 911 Center                 | Talbot Co.                    | Public Safety Entity                                     | No   | 1GB of high-speed Internet access will improve safety coordination                                    |
| Talbot County Backup 911 Center          | Talbot Co.                    | Public Safety Entity                                     | No   | 1GB of high-speed Internet access will improve safety coordination                                    |
| Bureau of Utilities - Building 1         | Howard Co.                    | Other Government Facilities                              | No   | 1GB of high-speed Internet access will improve intergovernmental and intergovernmental communications |
| Long Reach Fire Station                  | Howard Co.                    | Public Safety Entity                                     | No   | 1GB of high-speed Internet access will improve safety coordination                                    |
| Bellows Spring Elementary School         | Howard Co.                    | Schools (K-12)   | No   | 1GB of high-speed Internet access will improve educational instruction                                |
| Howard High School                       | Howard Co.                    | Schools (K-12)   | No   | 1GB of high-speed Internet access will improve educational instruction                                |
| Mayfield Woods Middle School             | Howard Co.                    | Schools (K-12)   | No   | 1GB of high-speed Internet access will improve educational instruction                                |
| Oakland Mills Middle School              | Howard Co.                    | Schools (K-12)   | No   | 1GB of high-speed Internet access will improve educational instruction                                |
| Stevens Forrest Elementary School        | Howard Co.                    | Schools (K-12)   | No   | 1GB of high-speed Internet access will improve educational instruction                                |
| Waterloo Elementary School               | Howard Co.                    | Schools (K-12)   | No   | 1GB of high-speed Internet access will improve educational instruction                                |
| Friendship Valley Elementary School      | Carroll Co.                   | Schools (K-12)   | No   | 1GB of high-speed Internet access will improve educational instruction                                |
| AG Center                                | Carroll Co.                   | Other Government Facilities                              | No   | 1GB of high-speed Internet access will improve intergovernmental and intergovernmental communications |
| Farm Museum                              | Carroll Co.                   | Other Government Facilities                              | No   | 1GB of high-speed Internet access will improve intergovernmental and intergovernmental communications |
| Carroll Springs School                   | Carroll Co.                   | Schools (K-12)   | No   | 1GB of high-speed Internet access will improve educational instruction                                |
| Westminster Senior Center                | Carroll Co.                   | Other Community Support Organization                     | No   | 1GB of high-speed Internet access will improve Internet accessibility                                 |
| Robert Moton Facility                    | Carroll Co.                   | Other Government Facilities                              | No   | 1GB of high-speed Internet access will improve intergovernmental and intergovernmental communications |
| Health Department                        | Carroll Co.                   | Other Government Facilities                              | No   | 1GB of high-speed Internet access will improve intergovernmental and intergovernmental communications |
| Emergency Services Training Center (Old) | Carroll Co.                   | Public Safety Entity                                     | No   | 1GB of high-speed Internet access will improve safety coordination                                    |
| Barrell House / Citizen/ Housing         | Carroll Co.                   | Other Government Facilities                              | No   | 1GB of high-speed Internet access will improve intergovernmental and intergovernmental communications |
| Westminster Fire Department              | Carroll Co.                   | Public Safety Entity                                     | No   | 1GB of high-speed Internet access will improve safety coordination                                    |
| Gorsuch Tower                            | Carroll Co.                   | Other Government Facilities                              | No   | 1GB of high-speed Internet access will improve intergovernmental and intergovernmental communications |

|   |                            |                                    |           |  |
|---|----------------------------|------------------------------------|-----------|--|
| <b>Cranberry Station Elementary School</b>        | <b>Carroll Co.</b>         | <b>Schools (K-12)</b>              | <b>No</b> | <b>1GB of high-speed Internet access will improve educational instruction</b>                                |
| <b>Westminster City Hall</b>                      | <b>Carroll Co.</b>         | <b>Other Government Facilities</b> | <b>No</b> | <b>1GB of high-speed Internet access will improve intergovernmental and intergovernmental communications</b> |
| <b>Westminster Police Department</b>              | <b>Carroll Co.</b>         | <b>Public Safety Entity</b>        | <b>No</b> | <b>1GB of high-speed Internet access will improve safety coordination</b>                                    |
| <b>Northern Land Fill</b>                         | <b>Carroll Co.</b>         | <b>Other Government Facilities</b> | <b>No</b> | <b>1GB of high-speed Internet access will improve intergovernmental and intergovernmental communications</b> |
| <b>Humane Society</b>                             | <b>Carroll Co.</b>         | <b>Other Government Facilities</b> | <b>No</b> | <b>1GB of high-speed Internet access will improve intergovernmental and intergovernmental communications</b> |
| <b>Edgewood Pumping Station</b>                   | <b>Carroll Co.</b>         | <b>Other Government Facilities</b> | <b>No</b> | <b>1GB of high-speed Internet access will improve intergovernmental and intergovernmental communications</b> |
| <b>William Winchester Elementary School</b>       | <b>Carroll Co.</b>         | <b>Schools (K-12)</b>              | <b>No</b> | <b>1GB of high-speed Internet access will improve educational instruction</b>                                |
| <b>Reese Fire Department</b>                      | <b>Carroll Co.</b>         | <b>Public Safety</b>               | <b>No</b> | <b>1GB of high-speed Internet access will improve safety coordination</b>                                    |
| <b>South Carroll Senior Center (Old)</b>          | <b>Carroll Co.</b>         | <b>Other Government Facilities</b> | <b>No</b> | <b>1GB of high-speed Internet access will improve intergovernmental and intergovernmental communications</b> |
| <b>Westminster Sewage Treatment Facility</b>      | <b>Carroll Co.</b>         | <b>Other Government Facilities</b> | <b>No</b> | <b>1GB of high-speed Internet access will improve intergovernmental and intergovernmental communications</b> |
| <b>Greenbelt Bus Lot</b>                          | <b>Prince George's Co.</b> | <b>Other Government Facilities</b> | <b>No</b> | <b>1GB of high-speed Internet access will improve intergovernmental and intergovernmental communications</b> |
| <b>Berwyn Heights VFD 814</b>                     | <b>Prince George's Co.</b> | <b>Public Safety Entity</b>        | <b>No</b> | <b>1GB of high-speed Internet access will improve safety coordination</b>                                    |
| <b>Spring Hill Lakes Elementary School</b>        | <b>Prince George's Co.</b> | <b>Schools (K-12)</b>              | <b>No</b> | <b>1GB of high-speed Internet access will improve educational instruction</b>                                |
| <b>Berwyn Heights Elementary School</b>           | <b>Prince George's Co.</b> | <b>Schools (K-12)</b>              | <b>No</b> | <b>1GB of high-speed Internet access will improve educational instruction</b>                                |
| <b>New Windsor Middle School</b>                  | <b>Carroll Co.</b>         | <b>Schools (K-12)</b>              | <b>No</b> | <b>1GB of high-speed Internet access will improve educational instruction</b>                                |
| <b>Carroll County Public Schools Headquarters</b> | <b>Carroll Co.</b>         | <b>Schools (K-12)</b>              | <b>No</b> | <b>1GB of high-speed Internet access will improve educational instruction</b>                                |
| <b>Greenbelt Fire/EMS Station 835</b>             | <b>Prince George's Co.</b> | <b>Public Safety Entity</b>        | <b>No</b> | <b>1GB of high-speed Internet access will improve safety coordination</b>                                    |
| <b>Jarrettsville Elementary School</b>            | <b>Harford County</b>      | <b>Schools (K-12)</b>              | <b>No</b> | <b>1GB of high-speed Internet access will improve educational instruction</b>                                |
| <b>Francis Scott Key High School</b>              | <b>Carroll Co.</b>         | <b>Schools (K-12)</b>              | <b>No</b> | <b>1GB of high-speed Internet access will improve educational instruction</b>                                |
| <b>Denton Firehouse</b>                           | <b>Caroline Co.</b>        | <b>Public Safety Entity</b>        | <b>No</b> | <b>1GB of high-speed Internet access will improve safety coordination</b>                                    |
| <b>Denton Elementary School</b>                   | <b>Caroline Co.</b>        | <b>Schools (K-12)</b>              | <b>No</b> | <b>1GB of high-speed Internet access will improve educational instruction</b>                                |
| <b>Caroline County Public Schools</b>             | <b>Caroline Co.</b>        | <b>Schools (K-12)</b>              | <b>No</b> | <b>1GB of high-speed Internet access will improve educational instruction</b>                                |
| <b>Mt. Hope Elementary School</b>                 | <b>Charles Co.</b>         | <b>Schools (K-12)</b>              | <b>No</b> | <b>1GB of high-speed Internet access will improve educational instruction</b>                                |
| <b>Charles County Government</b>                  | <b>Charles Co.</b>         | <b>Other Government Facilities</b> | <b>No</b> | <b>1GB of high-speed Internet access will improve intergovernmental and intergovernmental communications</b> |

|                                  |                |                                      |    |   |
|----------------------------------|----------------|--------------------------------------|----|---|
| Charles County 911 Center        | Charles Co.    | Public Safety                        | No | 1GB of high-speed Internet access will improve safety coordination                                    |
| Southern Library                 | Calvert Co.    | Libraries                            | No | 1GB of high-speed Internet access will improve Internet accessibility                                 |
| Fairview Library                 | Calvert Co.    | Liraries                             | No | 1GB of high-speed Internet access will improve Internet accessibility                                 |
| Calvert Marine Museum            | Calvert Co.    | Other Community Support Organization | No | 1GB of high-speed Internet access will improve Internet accessibility                                 |
| Mt. Hope Community Center        | Calvert Co.    | Other Community Support Organization | No | 1GB of high-speed Internet access will improve Internet accessibility                                 |
| Company 3 Solomans VFDRS         | Calvert Co.    | Public Safety Entity                 | No | 1GB of high-speed Internet access will improve safety coordination                                    |
| Solomons Island PD Substation    | Calvert Co.    | Public Safety Entity                 | No | 1GB of high-speed Internet access will improve safety coordination                                    |
| Appeal Elementary School         | Calvert Co.    | Schools (K-12)                       | No | 1GB of high-speed Internet access will improve educational instruction                                |
| Dowell Elementary School         | Calvert Co.    | Schools (K-12)                       | No | 1GB of high-speed Internet access will improve educational instruction                                |
| Mill Creek Middle School         | Calvert Co.    | Schools (K-12)                       | No | 1GB of high-speed Internet access will improve educational instruction                                |
| Patuxent Elementary School       | Calvert Co.    | Schools (K-12)                       | No | 1GB of high-speed Internet access will improve educational instruction                                |
| Patuxent High School             | Calvert Co.    | Schools (K-12)                       | No | 1GB of high-speed Internet access will improve educational instruction                                |
| Mt. Harmony Elementary School    | Calvert Co.    | Schools (K-12)                       | No | 1GB of high-speed Internet access will improve educational instruction                                |
| Northern High School             | Calvert Co.    | Schools (K-12)                       | No | 1GB of high-speed Internet access will improve educational instruction                                |
| Northern Middle School           | Calvert Co.    | Schools (K-12)                       | No | 1GB of high-speed Internet access will improve educational instruction                                |
| Windy Hill Elementary School     | Calvert Co.    | Schools (K-12)                       | No | 1GB of high-speed Internet access will improve educational instruction                                |
| EbbValley Elementary School      | Carroll Co.    | Schools (K-12)                       | No | 1GB of high-speed Internet access will improve educational instruction                                |
| Sunderland Elementary School     | Calvert Co.    | Schools (K-12)                       | No | 1GB of high-speed Internet access will improve educational instruction                                |
| Transit Facility                 | Frederick Co.  | Other Government Facilities          | No | 1GB of high-speed Internet access will improve intergovernmental and intergovernmental communications |
| Irbana Park                      | Frederick Co.  | Other Government Facilities          | No | 1GB of high-speed Internet access will improve intergovernmental and intergovernmental communications |
| Frederick Memorial Hospital      | Frederick Co.  | Medical & Healthcare Providers       | No | 1GB of high-speed Internet access will improve safety coordination                                    |
| Charles County Backup 911 Center | Charles County | Other Public Safety Entity           | No | 1GB of high-speed Internet access will improve safety coordination                                    |
| County Services Plaza            | Calvert County | Other Government Facilities          | No | 1GB of high-speed Internet access will improve intergovernmental and intergovernmental communications |
| Community Resources Building     | Calvert County | Other Government Facilities          | No | 1GB of high-speed Internet access will improve intergovernmental and intergovernmental communications |



|  |                 |                                       |    |   |
|--|-----------------|---------------------------------------|----|---|
| Maryland State Police Troop U            | Calvert County  | Public Safety Entity                  | No | 1GB of high-speed Internet access will improve safety coordination                                    |
| Courthouse                               | Calvert County  | Other Government Facilities           | No | 1GB of high-speed Internet access will improve intergovernmental and intergovernmental communications |
| Chesapeake Biological Laboratory         | Calvert County  | Other Institution of Higher Education | No | 1GB of high-speed Internet access will improve educational instruction                                |
| COMPANY 10 CALVERT ADVANCED LIFE SUPPORT | Calvert County  | Public Safety Entity                  | No | 1GB of high-speed Internet access will improve safety coordination                                    |
| COMPANY 7 ST. LEONARD VFDRS              | Calvert County  | Public Safety Entity                  | No | 1GB of high-speed Internet access will improve safety coordination                                    |
| Sheriff's Office                         | Calvert County  | Public Safety Entity                  | No | 1GB of high-speed Internet access will improve safety coordination                                    |
| Southern Middle School                   | Calvert County  | Schools (K-12)                        | No | 1GB of high-speed Internet access will improve educational instruction                                |
| Mutual Elementary School                 | Calvert County  | Schools (K-12)                        | No | 1GB of high-speed Internet access will improve educational instruction                                |
| Saint Leonard Elementary School          | Calvert County  | Schools (K-12)                        | No | 1GB of high-speed Internet access will improve educational instruction                                |
| Showell Elementary School                | Wocester County | Schools (K-12)                        | No | 1GB of high-speed Internet access will improve educational instruction                                |
| Stephen Decatur High School              | Wocester County | Schools (K-12)                        | No | 1GB of high-speed Internet access will improve educational instruction                                |

**Project Indicators (Next Quarter)**

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

The project will transition from fiber deployment to connecting CAIs. The following are our projected indicators for the next reporting quarter.

**Engineering:**

- Outside-Plant engineering will come to a closure. The engineering effort will focus on the logical network design and implementation, which continues to ramp up.

**Permitting :**

- Rights of Way (ROW) permitting: At least 95% of the underground and aerial permits will have been received from State Highway Administration (SHA), county, and municipal authorities.

- **Aerial Utility permitting:**

95 % of aerial make ready payments will have been made to the utility companies. We will have received over 200 miles of pole attachment licenses and anticipate to continue to receive pole attachment licenses throughout the next reporting period. 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. All tidal crossing permitting is completed. Non-tidal wetland permitting will continue throughout the construction phase. We have begun construction across several permitted environmental resource areas.

- **Rail Road Crossings:**

We have executed licensing agreements with all railroad companies; CSX, Maryland & Delaware Rail Road, Maryland Midland Rail Ways, Bay Coast Rail Road, Amtrak, George's Creek, and Metropolitan Transit Authority (MTA), Norfolk Southern Corporation. We will continue to receive the encroachment agreements with the various Maryland Operating Rail Systems owners.

|                   | Total Crossings | Submitted | Received | Completed |
|-------------------|-----------------|-----------|----------|-----------|
| Amtrak            | 6               | 6         | 6        | 6         |
| Bay Coast         | 2               | 2         | 2        | 2         |
| CSX               | 38              | 37        | 36       | 25        |
| George's Creek    | 4               | 4         | 4        | 4         |
| Norfolk Southern  | 2               | 2         | 2        | 1         |
| Maryland Delaware | 2               | 2         | 2        | 2         |

|                  |    |    |    |    |
|------------------|----|----|----|----|
| Maryland Midland | 4  | 4  | 4  | 4  |
| MTA              | 8  | 8  | 8  | 7  |
| TOTALS           | 66 | 65 | 64 | 51 |

**Fiber Procurement:**

- Fiber procurement is winding down and the final deliveries are scheduled throughout the next couple of reporting periods. We expect continued receipt of fiber and related materials at our centralized warehouse locations in sufficient quantities to maintain the construction schedule.

**Equipment Procurement:**

- Continue the procurement of the OMBN equipment, with over \$10M in cumulative equipment purchases will be made within the next reporting quarter.

**Construction Completion:**

- Construction will have been completed for Talbot, Charles, Calvert, Dorchester, Harford Counties.
- Construction is in full swing in the remaining 19 counties and 1 City: Allegany Co, Anne Arundel Co, Baltimore Co, Baltimore City, Caroline Co, Carroll Co, Cecil Co, Frederick Co, Garrett Co, Howard Co, Kent Co, Montgomery Co, Prince George's Co, Queen Anne's Co, Saint Mary's Co, Somerset Co, Washington Co, Wicomico Co, and Worcester Co.

**Key project Indicators:**

- New network miles deployed= 900
- New network miles leased= 0
- Total CAI subscribers served (CAIs connected)= 450
- Number of signed agreements with broadband wholesalers or last mile providers= 12

**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   | 77                       | We anticipate our planned percentage to rapidly increase since the construction phase is well on its way.  |
| 2b. | Environmental Assessment                                  | 100                      | Milestone is at a 100% (Completed)   |
| 2c. | Network Design  | 80                       | Preliminary logical diagramming is currently being completed. Detailed splice engineering has begun. Plant infrastructure design to be completed.                            |
| 2d. | Rights of Way   | 95                       | We continue to receive ROW permits as needed in all counties and anticipate continued receipt in the next reporting quarter.   |
| 2e. | Construction Permits and Other Approvals                  | 95                       | We anticipate continued receipt of pole attachment licenses from all utility companies as well as encroachment agreements from the various Railroad company.                 |
| 2f. | Site Preparation  | 65                       | 8 Huts have been received and installed. We anticipate the subsequent deliveries and installation during Q4 period with final installation of all Huts completed in Q1 2013. |
| 2g. | Equipment Procurement                                     | 37                       | Our projection indicates that we would have procured over \$10M of equipment during the next reporting quarter.  |
| 2h. | Network Build (all components - owned, leased, IRU, etc.) | 73                       | The network build component will increase steadily as construction continues current high rates of production.   |
| 2i. | Equipment Deployment                                      | 28                       | Network architecture designs are ongoing. Equipment deployment will maintain pace with the network design and build.   |
| 2j. | Network Testing   | 26                       | 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                    | 50                       | We continue to find efficiencies in our program management allowing us to contain overhead cost.   |

**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 next quarter will likely see challenges in the following three areas:

1. Weather-related delays – the impact of the impending Hurricane Sandy is not yet known, but expected to be severe. Widespread damage to aerial infrastructure will pull utility crews off of the project make ready work and be redirected to storms repairs. During the July El Derecho storm, Utility crews were unavailable to the project for 3 weeks. This storm is expected to be worse. Additionally, heavy snow is expected in Garrett County, Western Maryland, which will halt all operations until it melts.

2. Permits and easements for private and municipal crossings – the processes requiring legal review among the participant jurisdictions and either private land owners or municipal permitting authorities continue to represent the longer lead-time items over which the project team has less direct control.

3. Utility pole make-ready construction – while now representing a relatively small portion of the project, we anticipate there will be challenges coordinating with the utility pole make-ready work in a manner that avoids interruptions in aerial fiber construction. This work must be completed prior to aerial fiber construction by the utility pole owners, rather than our own contractors, and as such represents an area of risk that can be impacted by labor disputes, weather emergencies, and other extenuating factors outside our direct control.

**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          | \$5,891,365  | \$2,788,417    | \$3,102,948   | \$6,255,225   | \$2,937,330    | \$3,317,894   |
| b. Land, structures, right-of-ways, appraisals, etc. | \$1,350,000       | \$0                   | \$1,350,000          | \$874,939  | \$0            | \$874,939     | \$874,939   | \$0            | \$874,939     |
| 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         | \$5,493,694  | \$0            | \$5,493,694   | \$6,384,968   | \$0            | \$6,384,968   |
| e. Other architectural and engineering fees          | \$6,109,850       | \$2,869,099           | \$3,240,751          | \$6,968,391  | \$1,861,537    | \$5,106,854   | \$7,645,188   | \$2,064,683    | \$5,580,505   |
| 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         | \$68,603,324   | \$18,064,883   | \$50,538,441  | \$90,052,997  | \$22,471,838   | \$67,581,159  |
| j. Equipment   | \$29,211,582      | \$8,888,681           | \$20,322,901         | \$8,136,854  | \$2,157,470    | \$5,979,383   | \$10,695,380  | \$4,262,087    | \$6,433,292   |
| k. Miscellaneous                                     | \$313,479         | \$313,479             | \$0                  | \$0  | \$0            | \$0           | \$0   | \$0            | \$0           |
| <b>l. SUBTOTAL (add a through k)</b>                 | \$158,416,521     | \$43,175,940          | \$115,240,581        | \$95,968,567   | \$24,872,307   | \$71,096,259  | \$121,908,697   | \$31,735,938   | \$90,172,757  |
| m. Contingencies                                     | \$0               | \$0                   | \$0                  | \$0  | \$0            | \$0           | \$0   | \$0            | \$0           |
| <b>n. TOTALS (sum of l and m)</b>                    | \$158,416,521     | \$43,175,940          | \$115,240,581        | \$95,968,567   | \$24,872,307   | \$71,096,259  | \$121,908,697   | \$31,735,938   | \$90,172,757  |

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 |
|---|--------------------------------|