

QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information		
1. Federal Agency and Organizational Element to Which Report is Submitted GOL	2. Award Identification Number NT10BIX5570011	3a. DUNS Number 018946590
		3b. EIN XXXXXXXXXXX
4. Recipient Organization (Name and complete address including country, congressional district, and zip code) MCNC 3021 Cornwallis Road, Research Triangle Park, NC 27709-2889		
5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2010	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 Lana Parker Senior Financial Analyst	7c. Telephone (area code, number and extension) 9192481887	
	7d. Email Address lparker@mcnc.org	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-23-2010	

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (150 words or less).
 MCNC received it's FONSI on 8/26/10. We closed out an RFP for materials in July/August and awarded a contract to NC based Commscope to provide construction materials. An RFP was issued and closed for identifying construction firms to perform the physical build in August/September, with Globe Communications selected to perform the work in the southeast and Fiber Tech selected to perform the work in the west. An optical RFP was issued and closed for identifying an equipment manufacturer to light the fiber, with Cisco Systems selected for that work. Formal IRU/swap agreements were finalized with two of our primary partners identified in the application, FRC and ERC. All engineering work is on schedule and relevant permits for priority construction activities have been applied for and many have started to be approved and received.

2. Please provide the percent complete for the following key milestones in your project. Write "N/A" in the second 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 (100 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	8	N/A
2b.	Environmental Assessment	100	N/A
2c.	Network Design	72	887 miles were projected in the baseline in the project. 197 were part of an existing IRU, 223 from IRU's to be obtained, and 467 from new construction. 197 miles has been acquired under new executed IRU's that have been completed, and 199 miles designed totaling 593 miles (including the initial 197 IRU miles). An IRU with Morris was communicated to NTIA that will replace 50 miles of new build. Of the 887 miles, 593 has been obtained or designed, approximately 72% of the total. The remaining 28% are scheduled to be complete by end of next quarter.
2d.	Rights of Way	2	We have applied for approximately 48% of the required ROW's but as of quarter end had not received all back. We were delayed somewhat in our application for these by not yet having received the FONSI. We expect to receive all that have been applied for by end of next quarter to be back on track and apply for more as formal engineering is completed.
2e.	Construction Permits and Other Approvals	2	We have applied for approximately 48% of the required ROW's but as of quarter end had not received completed all back. We were delayed somewhat in our application for these by not yet having received the FONSI. We expect to receive all that have been applied for by end of next quarter to be back on track and apply for more as formal engineering is completed.
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	0	N/A
2h.	Network Build (all components - owned, leased, IRU, etc)	0	N/A
2i.	Equipment Deployment	0	N/A
2j.	Network Testing	0	N/A
2k.	Other (please specify):	0	N/A

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 (150 words or less).

We have some concerns about turn around time requests related to items not specifically addressed under current NTIA rules. Specifically anything that requires a legal opinion seem to slow down. We have two pending requests of NTIA related to acquisition of an IRU from Morris Broadband versus a build as well as formalization of an agreement defined in our application with FRC that have been pending for months. Issuance of the FONSI took longer than expected, although as of now it has not materially delayed us to where we can't recover the lost time.

4. Please report the following information regarding network build progress. Write "N/A" in the second 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 (100 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	N/A
New network miles leased	0	While we did complete formal agreement with two providers for 197 miles of IRU fiber as noted above in the design, it will be some time before these miles are actually placed in to service. While 0% shown complete here is not a variance, we did want to explain why no miles are noted new here.
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	N/A
Number of new towers	0	N/A
Number of interconnection points	0	N/A

For questions 5 and 6 please include information relating to agreements that you are negotiating or have entered into, or that your subrecipient, contractor or subcontractor is negotiating or entered into.

5a. If applicable, please provide the following information with regard to agreements with broadband wholesalers and/or last mile providers as a result of your project.

Indicators	
Number of signed agreements with broadband wholesalers or last mile providers	2
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	1
Average term of signed agreements	20

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements. Providers:

FRC
 The Education and Research Consortium

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. Wholesale services description: MCNC is not providing wholesale service. The agreements spoken to above are part of IRU swaps that were negotiated and submitted to NTIA for approval.

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 subrecipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this this third party operates (150 words or less).

FRC/Palmettonet, 1500 Hampton St. Suite 101 Columbia, SC 29201 has been contracted to provide fiber maintenance (locates and break/fix) on the fiber once constructed. They will be providing route maintenance on 100% of the newly constructed fiber. On fiber assets that they retain in the new fiber footprint, they will be in a position to provide wholesale services to other wholesale carriers, last mile carriers, and private enterprise, while MCNC would be focused on the education, government and public health sectors.

6. Please provide the data according to the type of subscriber. Write "N/A" 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 (100 words or less).

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
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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	2	Agreements have been signed, but service will not become active until network is constructed. We had forecast 3 at this point. We are still discussing with Balsamwest specific pieces of our work with them and have exchanged contracts for review, but they are not signed yet.
	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	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 or subscribers for each	0	N/A
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 (150 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 (150 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. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent calendar year. 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 (100 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
N/A	N/A	N/A	N/A	N/A
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 (150 words or less).

We expect to order equipment for lighting the Raleigh/Wilmington segment and begin that process. While our hope would be that it's complete, lead times on equipment may mean that it takes one more quarter for that. We expect to begin construction on five priority routes that represent approximately 200 miles of the infrastructure and perhaps have about 10-15% of those sections complete. We will also hold a ground breaking to promote the project.

2. Please provide the percent complete for the following key milestones in your project. Write "N/A" in the second 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 (100 words or less).

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	Overall Project	15	Delay in start to construction due to delay in receipt of FONSI has set us back about two months. We expect to make this up over the course of 1-2 months.
2b.	Environmental Assessment	100	N/A
2c.	Network Design	100	N/A
2d.	Rights of Way	50	Ahead of schedule due to quicker application of permits.
2e.	Construction Permits and Other Approvals	50	Ahead of schedule due to quicker application of permits.
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	15	N/A
2h.	Network Build (all components - owned, leased, IRU, etc.)	15	Delay in start to construction due to delay in receipt of FONSI has set us back about two months. We expect to make this up over the course of 1-2 months.
2i.	Equipment Deployment	10	Delay in deployment due to delay in receipt of FONSI has set us back about two months. We expect to make this up over the course of 1-2 months.
2j.	Network Testing	20	Delay in start to construction due to delay in receipt of FONSI has set us back about two months. We expect to make this up over the course of 1-2 months.
2k.	Other (please specify):	0	N/A

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 (150 words or less).

Successful receipt of ROW's from DOT will slow down some construction activities. As we approach winter, weather is always a concern. Beyond that, all our contractors for engineering, construction, and materials are lined up, so we hope to begin making more visible tangible success.

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	\$329,500	\$72,766	\$256,734	\$279,494	\$61,723	\$217,771	\$300,000	\$66,252	\$233,748
b. Land, structures, right-of-ways, appraisals, etc.	\$150,000	\$33,126	\$116,874	\$0	\$0	\$0	\$27,550	\$6,084	\$21,466
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$1,005,142	\$221,974	\$783,168	\$925,509	\$204,388	\$721,121	\$1,005,142	\$221,974	\$783,168
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$3,470	\$766	\$2,704	\$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	\$32,081,915	\$7,084,933	\$24,996,982	\$500	\$111	\$389	\$1,424,071	\$314,490	\$1,109,581
j. Equipment	\$6,415,529	\$4,346,473	\$2,069,056	\$0	\$0	\$0	\$300,000	\$662,582	\$233,748
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$39,985,556	\$11,760,038	\$28,225,518	\$1,205,503	\$266,222	\$939,281	\$3,056,763	\$1,271,382	\$2,381,711
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$39,985,556	\$11,760,038	\$28,225,518	\$1,205,503	\$266,222	\$939,281	\$3,056,763	\$1,271,382	\$2,381,711

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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