

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 NT10BIX5570018	3a. DUNS Number 014409657
		3b. EIN XXXXXXXXXXX
4. Recipient Organization (Name and complete address including country, congressional district, and zip code) Critical Hub Networks, Inc 1314 Ponce De Leon Ave. Ste. 400, San Juan, PR 00907-4047		
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 Karen Elizabeth Larson Vice President	7c. Telephone (area code, number and extension) 787 728900	7d. Email Address kmarazzi@caribe.net
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-30-2010	

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (150 words or less).
 Completion of contract negotiations for acquisition of submarine cable capacity (FAC) for Puerto Rico-Florida span. Design of copper and optical infrastructure, emergency power & fire suppression systems for PRBI facilities. Engineering planning for FAC acceptance, network activation, provisioning, operations & management of Layer 2 & 3 services. Completed the procurement selection process for core routing/bridging equipment for PR-Florida span, as well as for emergency power, fire suppression, data center facility infrastructure, data management and storage systems. Purchase orders have been issued. Ongoing negotiations with broadband providers and community anchor institutions on interconnection agreements. Identification of Steering Committee candidates. Project Foreman, Project Coordinator, and Network Technician recruitment completed. Meetings with strategic contacts at Community Anchor Institutions for project presentation.

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	2	No significant variance from baseline
2b.	Environmental Assessment	100	Satisfied EA Requirement in First Reporting Quarter
2c.	Network Design	22	Resulting from delays in recruitment.
2d.	Rights of Way	15	No significant variance from baseline
2e.	Construction Permits and Other Approvals	0	N/A
2f.	Site Preparation	2	Variance due to delays in recruitment and employment commencement dates.
2g.	Equipment Procurement	2	Manufacturer delivery delays. Equipment will arrive in the next quarter.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	No significant variance from baseline
2i.	Equipment Deployment	2	No significant variance from baseline
2j.	Network Testing	0	No significant variance from baseline
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).
 Delays in recruitment/employee start date caused some delays in network design and site preparation tasks. The recruitment delays were a result of challenges encountered in finding qualified candidates and coordinating the selected employees commencement dates. We do not foresee any significant delays which would impede ongoing network design and site preparation, and we anticipate the commencement of additional staff in Q4 to accelerate Network Design, Site Preparation and Equipment Deployment going into Phase II of the wireless buildout of the project. We are awaiting the receipt of core network equipment, which was originally schedule for delivery this quarter but has been delayed to next quarter. While this represents a significant variance from the baseline, we had not planned any procurement for the next quarter, which will allow for us to receive the equipment and get back on schedule without affecting the scheduled completion date.

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	No variance from baseline
New network miles leased	0	No variance from baseline
Existing network miles upgraded	0	No variance from baseline
Existing network miles leased	0	No variance from baseline
Number of miles of new fiber (aerial or underground)	0	No variance from baseline
Number of new wireless links	0	No variance from baseline

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Number of new towers	0	No variance from baseline
Number of interconnection points	0	No variance from baseline

For questions 5 and 6 please include information relating to agreements that you are negotiating or have entered into, or that your 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	0
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	13
Average term of signed agreements	0

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

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:
 PRBI will provide middle-mile transit and peering services to broadband service providers. In addition, PRBI will also provide peering services to Critical Community Anchor Institutions and Government Agencies.

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 third party operates (150 words or less).
 N/A

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)
Broadband Wholesalers or Last Mile Providers	Providers with signed agreements receiving new access	0	no variance from baseline
	Providers with signed agreements receiving improved access	0	no variance from baseline
	Providers with signed agreements receiving access to dark fiber	0	no variance from baseline
	Please identify the speed tiers that are available and the number of subscribers for each	0	Services will be available from 100Mbps-1Gbps.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	no variance from baseline
	Subscribers receiving new access	0	no variance from baseline
	Subscribers receiving improved access	0	no variance from baseline

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 or subscribers for each	0	Services will be available from 100Mbps-1Gbps.
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).
 PRBI will be offering peering services, both in Puerto Rico and in Florida. These services will allow for the local exchange of traffic between networks. Peering will be available for community anchor institutions such as schools, libraries, health care providers and non-profit organizations; government agencies; and broadband providers.

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

RECIPIENT NAME:GOL
AWARD NUMBER: NT10BIX5570018
DATE: 2010-11-30 11:29:13

OMB CONTROL NUMBER: 0660-0037
EXPIRATION DATE: 12-31-2010

N/A	N/A	N/A	N/A	None at this time

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (150 words or less).

We anticipate the completion of acquisition, acceptance and expenditure of funds associated with the submarine cable capacity (FAC) for the Puerto Rico-Florida span next quarter. This expenditure is significant, and explains why we have projected 99% completion of the Network Build milestone. We also anticipate the execution of various interconnection agreements with broadband providers and community anchor institutions. PR-Florida span equipment will be received & deployed. PR-Florida span will begin testing phase.

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	85	No significant variance
2b.	Environmental Assessment	100	No significant variance
2c.	Network Design	35	No significant variance
2d.	Rights of Way	16	No significant variance
2e.	Construction Permits and Other Approvals	0	N/A
2f.	Site Preparation	22	No significant variance
2g.	Equipment Procurement	40	No significant variance
2h.	Network Build (all components - owned, leased, IRU, etc.)	99	Completion of acquisition of FAC for Puerto Rico-Florida span.
2i.	Equipment Deployment	7	No significant variance
2j.	Network Testing	2	No significant variance
2k.	Other (please specify): N/A	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).

Weather: In the event that any adverse weather conditions impact either Puerto Rico or Miami, the project progress may be delayed and/or otherwise affected. Supplier/Vendor Deliverables: If any external supplier/vendor incurs delays in fulfilling their obligations, such as equipment delivery or service activation, the project schedule may be delayed. Contingency plans are in place to ensure overall project completion within the project timeframe.

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	\$462,500	\$0	\$462,500	\$62,433	\$0	\$62,433	\$103,185	\$0	\$103,185
b. Land, structures, right-of-ways, appraisals, etc.	\$27,151,000	\$5,840,000	\$21,311,000	\$270,000	\$270,000	\$0	\$25,615,000	\$4,940,000	\$20,675,000
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$1,331,091	\$0	\$1,331,091	\$39,482	\$0	\$39,482	\$93,345	\$0	\$93,345
e. Other architectural and engineering fees	\$4,500	\$0	\$4,500	\$4,500	\$0	\$4,500	\$4,500	\$0	\$4,500
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$538,370	\$0	\$538,370	\$3,084	\$0	\$3,084	\$198,918	\$0	\$198,918
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$622,031	\$0	\$622,031	\$65,295	\$0	\$65,295	\$128,915	\$0	\$128,915
j. Equipment	\$2,149,732	\$760,950	\$1,388,782	\$40,837	\$0	\$40,837	\$816,353	\$657,586	\$158,767
k. Miscellaneous	\$29,571	\$5,475	\$24,096	\$2,808	\$0	\$2,808	\$6,372	\$0	\$6,372
I. SUBTOTAL (add a through k)	\$32,288,795	\$6,606,425	\$25,682,370	\$488,439	\$270,000	\$218,439	\$26,966,588	\$5,597,586	\$21,369,002
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of I and m)	\$32,288,795	\$6,606,425	\$25,682,370	\$488,439	\$270,000	\$218,439	\$26,966,588	\$5,597,586	\$21,369,002

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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