

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

**General Information**

<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b>  Department of Commerce, National Telecommunications and Information Administration	<b>2. Award Identification Number</b>  NT10BIX5570026	<b>3. DUNS Number</b>  831415570
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<b>4. Recipient Organization</b>  Keystone Initiative For Network Based Education and Research 624 North Front St, Wormleysburg, PA 17043-1022
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<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  03-31-2011	<b>6. Is this the last Report of the Award Period?</b>  <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.

<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Patricia Campbell  Compliance Officer	<b>7c. Telephone (area code, number and extension)</b>  5704227954
	<b>7d. Email Address</b>  pcampbell@kinber.org

<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  05-11-2011
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**Project Indicators (This Quarter)**

**1. Please describe significant project accomplishments completed during this quarter (600 words or less).**  
 Construction began in this quarter resulting in the first eleven (11) miles of fiber hung in areas outside of Philadelphia and Pittsburgh. 56 of the 62 site surveys have been completed and the engineering process has begun at many of these sites. Approximately 20% of the required pole permits have been submitted for approval. KINBER has applied for and been granted provisional CAP (Competitive Access Provider) status in Pennsylvania. Also in this Quarter, KINBER's Primary Investigator and Point of Contact was changed to reflect the change in personnel from an interim Executive Director to a full-time Executive Director. KINBER received and accepted its final financial audit which contained no findings.

**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	1	Construction work has begun, the project is slightly behind the baseline schedule due to a change in construction vendors in 2010. Some construction has begun, however as of the end of the quarter, KINBER had not yet received any invoices.
2b.	Environmental Assessment	100	EA complete FONSI received, \$19,250 in construction related expenses were reported to pay for the EA
2c.	Network Design	0	Much of the design has been completed however we have not been invoiced for this work and therefore haven't had any expenditures by 3/31/11. It is projected that all design work will be completed in Q2 2011.
2d.	Rights of Way	0	23% is actually complete, representing 400 miles of overlash fiber, however we have not been invoiced for this and did not drawdown any federal funds in Q1 2011.
2e.	Construction Permits and Other Approvals	0	Due to the reissuing of a construction RFP, the project is slightly behind the originally projected progress. Some pole permits have been submitted and await approval. No funds have been invoiced.
2f.	Site Preparation	0	Due to the reissuing of a construction RFP, the project is slightly behind the originally projected progress. No funds have been invoiced.
2g.	Equipment Procurement	0	RFP for equipment was prepared and will be released Q2 2011.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	Project is on schedule.
2i.	Equipment Deployment	0	Project is on schedule.
2j.	Network Testing	0	Project is on schedule.
2k.	Other (please specify): n/a	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 (600 words or less).**

Construction activities have been delayed due to reissuing the construction RFP and changing vendors in Q4 2010. We have accelerated our construction schedule to make up this time loss. Although network design and construction activities have begun, KINBER did not receive any invoices by the end of Q1 2011 and therefore does not yet show expenditures. The only construction related expenses were \$19,250 to pay for the Environmental Assessment.

**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)

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
New network miles deployed	11	Eleven miles of fiber have been overlashed to date, Project is on schedule for 237 network miles to be deployed in Q4 2011.
New network miles leased	0	n/a for this project
Existing network miles upgraded	0	n/a for this project
Existing network miles leased	0	n/a for this project
Number of miles of new fiber (aerial or underground)	11	11 miles of fiber were overlashed in Q1
Number of new wireless links	0	n/a for this project
Number of new towers	0	n/a for this project
Number of new and/or upgraded interconnection points	0	none at this time, project is on schedule for interconnection points in Q4 2011.

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

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

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

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: None yet.

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:

Services and pricing are still under development

5d. If you have designated a third party to operate all or a portion of your network, please provide the name and contact information for this third party, indicate if this entity is a sub recipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this this third party operates (600 words or less).

n/a  
KINBER is planning to operate the PennREN network.

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	Network not yet built, can not provide services at this time.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Providers with signed agreements receiving improved access	0	Network not yet built, can not provide services at this time.
	Providers with signed agreements receiving access to dark fiber	0	Network not yet built, can not provide services at this time.
	Please identify the speed tiers that are available and the number of subscribers for each	0	100M to 10G Ethernet
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Network not yet built, can not provide services at this time.
	Subscribers receiving new access	0	Network not yet built, can not provide services at this time.
	Subscribers receiving improved access	0	Network not yet built, can not provide services at this time.
	Please identify the speed tiers that are available and the number or subscribers for each	0	Network not yet built, can not provide services at this time.
Residential / Households	Entities passed	0	n/a KINBER is not providing last mile or residential services
	Total subscribers served	0	n/a KINBER is not providing last mile or residential services
	Subscribers receiving new access	0	n/a KINBER is not providing last mile or residential services
	Subscribers receiving improved access	0	n/a KINBER is not providing last mile or residential services
	Please identify the speed tiers that are available and the number of subscribers for each	0	n/a KINBER is not providing last mile or residential services
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).  
None.

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	Type of Anchor	Are you also the	Narrative description of how anchor institutions are using BTOP-
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	Area (town or county)	Institution (as defined in your baseline)	broadband service provider for this institution? (Yes / No)	funded infrastructure
n/a	n/a	n/a	n/a	None to report. The network construction has just begun.

**Project Indicators (Next Quarter)**

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).  
 RFP process begun to procure equipment and related professional services. Completion of Regional informational awareness session to increase awareness about KINBER across the Commonwealth. Hire a Lead Network Engineer (not using Program funds). All pole permit applications submitted.

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	27	KINBER projects \$35M in construction related expenses in the next quarter as new fiber is hung in multiple segments along the network route.
2b.	Environmental Assessment	100	Complete
2c.	Network Design	100	Design will be complete in Q2 2011.
2d.	Rights of Way	23	400 miles of overlash, ROW recieved. Remaining 77% will be submitted.
2e.	Construction Permits and Other Approvals	25	100% of pole permits submitted, awaiting approvals.
2f.	Site Preparation	10	All engineering will be completed.
2g.	Equipment Procurement	0	RFP for equipment to be awarded in Q2, 2011; procurement in Q3, 2011.
2h.	Network Build (all components - owned, leased, IRU, etc.)	2	50 miles of fiber will be completed
2i.	Equipment Deployment	0	Project is on time for equipment deployment to begin in Q4 2011.
2j.	Network Testing	0	Project is on time for a portion of the network to begin testing in Q4 2011.
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 (600 words or less).

Receiving signed node agreements from CAIs; the length of time it takes to get permitting completed for the 60,000+ poles that we need to attach fiber to, especially with regards to accessing Verizon's conduit.

**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	\$3,513,083	\$3,513,083	\$0	\$418,853	\$418,853	\$0	\$579,091	\$579,091	\$0
b. Land, structures, right-of-ways, appraisals, etc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$512,500	\$292,500	\$220,000	\$125,137	\$51,443	\$73,694	\$149,377	\$51,443	\$97,934
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$190,000	\$190,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$118,892,448	\$23,691,770	\$95,200,678	\$19,250	\$0	\$19,250	\$34,417,863	\$6,879,722	\$27,538,141
j. Equipment	\$5,850,000	\$1,610,000	\$4,240,000	\$0	\$0	\$0	\$0	\$0	\$0
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>l. SUBTOTAL (add a through k)</b>	\$128,958,031	\$29,297,353	\$99,660,678	\$563,240	\$470,296	\$92,944	\$35,146,331	\$7,510,256	\$27,636,075
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>n. TOTALS (sum of l and m)</b>	\$128,958,031	\$29,297,353	\$99,660,678	\$563,240	\$470,296	\$92,944	\$35,146,331	\$7,510,256	\$27,636,075

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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