

QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information

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| 1. Federal Agency and Organizational Element to Which Report is Submitted Department of Commerce, National Telecommunications and Information Administration | 2. Award Identification Number NT10BIX5570045 | 3. DUNS Number 161202122 |
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4. Recipient Organization

University of Wisconsin System Research & Sponsored Programs
 21 N. Park St., STE 6401, Madison, WI 53715-1218

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| 5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2010 | 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 John P Freeman Accountant | 7c. Telephone (area code, number and extension) 6088903068 |
| | 7d. Email Address jpfreeman@rsp.wisc.edu |

| | |
|---|--|
| 7b. Signature of Certifying Official Submitted Electronically | 7e. Date Report Submitted (MM/DD/YYYY): 02-21-2011 |
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Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 During Q42010, UW-Madison submitted the Environmental Assessment report to identify any NEPA, NHPA and Endangered Species Act compliance issues as well as perform required section 106 and section 7 consultations with the State of WI Historical Society and US Fish and Wildlife Service. UW-Madison received the Finding of No Significant Impact (FONSI) from NTIA effective December 23, 2010. We also participated in recurring reporting conference calls with our program officer and designees and participated in NTIA webinars. UW also placed into production the www.mufn.org website and plan to involve other communication media to convey information to stakeholders, participants, and vendors.

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 | 11 | Obtained FONSI on 12/23/10 so no construction activities have commenced. |
| 2b. | Environmental Assessment | 100 | EA was approved during 4Q2010. |
| 2c. | Network Design | 92 | N/A |
| 2d. | Rights of Way | 25 | N/A |
| 2e. | Construction Permits and Other Approvals | 0 | We have not acquired permits during the fourth quarter as we received FONSI at the end of 4Q2010 |
| 2f. | Site Preparation | 0 | The FONSI was approved on December 23, 2010. FONSI required for ground-breaking activities. |
| 2g. | Equipment Procurement | 0 | The equipment procurement is behind schedule from the infrastructure milestone category baseline report because the receipt of the Finding of No Significant Impact (FONSI) report was approved on December 23, 2010. Equipment procurement can only occur after receipt of the approved FONSI. |
| 2h. | Network Build (all components - owned, leased, IRU, etc) | 0 | The FONSI was approved on December 23, 2010. FONSI required for ground-breaking activities. |
| 2i. | Equipment Deployment | 0 | The FONSI was approved on December 23, 2010. FONSI required for ground-breaking activities. |
| 2j. | Network Testing | 0 | The FONSI was approved on December 23, 2010. FONSI required for ground-breaking activities. |
| 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 (600 words or less).
 FONSI approved on December 23, 2010. As such, we were unable to begin any construction activities for the 2010 winter season.

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 | 0 | N/A |

| Indicator | Total | Narrative (describe your reasons for any variance from the baseline plan or any other relevant information) |
|--|-------|---|
| New network miles leased | 0 | We were unable to complete a fiber agreement to lease 11 miles of fiber in 2Q2010, 3Q2010, and 4Q2010; we have a verbal agreement with UW Hospital & Clinics and are developing a written agreement to be executed in 2Q2011. The FONSI was approved on December 23, 2010. FONSI required for new fiber installation activities. |
| Existing network miles upgraded | 0 | N/A |
| Existing network miles leased | 20 | 20 miles is the total of the Wisconsin Department Of Transportation fiber path (black fiber path on the Northeast/ central side of Madison on the map) leased at the beginning of the project. The UW Hospital & Clinics written agreement has not been finalized yet. The FONSI was approved on December 23, 2010. FONSI required for new fiber installation activities. |
| 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 new and/or upgraded interconnection points | 4 | Didn't add 2 points of interconnect (POI) as expected as 11mi fiber lease agreement did not get executed in 4Q2010 |

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 | 1 |
| Number of agreements currently being negotiated with broadband wholesalers or last mile providers | 2 |
| Average term of signed agreements (in quarters) | 5 |

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: Xiocom d/b/a Mad City Broadband.

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:

MUFN wholesale services offered by the project include point-to-point dark fiber and point-to-point wavelength services (where fiber IRUs permit). See attached document (BTOP-MUFN-PricingPlan.pdf)

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).

The City of Madison in collaboration with UW and Xiocom d/b/a Mad City Broadband will operate the network together. UW and the City are formalizing and finalizing the relationships now as a contractor and the City is finalizing its relationship with Xiocom as a subcontractor.

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) |
|-----------------|-------------|-------|---|
| | | | |

| 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 | 0 | N/A |
| | Providers with signed agreements receiving access to dark fiber | 1 | N/A |
| | Please identify the speed tiers that are available and the number of subscribers for each | 0 | N/A - dark fiber; users can pick their own baseband speed/signaling type (i.e. ethernet) or light fiber via wave-division multiplexing |
| Community Anchor Institutions (including Government institutions) | Total subscribers served | 0 | The FONSI was approved on December 23, 2010. FONSI required for installation/network connectivity of Community Anchor Institutions (CAIs) |
| | 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 as our project involves dark fiber where users can pick their own baseband speed/signaling type (i.e. ethernet) or light fiber via wave-division multiplexing |
| Residential / Households | Entities passed | 0 | N/A |
| | Total subscribers served | 0 | N/A |
| | Subscribers receiving new access | 0 | N/A |
| | Subscribers receiving improved access | 0 | N/A |
| | Please identify the speed tiers that are available and the number of subscribers for each | 0 | N/A |
| Businesses | Entities passed | 0 | N/A |
| | Total subscribers served | 0 | N/A |
| | Subscribers receiving new access | 0 | N/A |
| | Subscribers receiving improved access | 0 | N/A |
| | Please identify the speed tiers that are available and the number of subscribers for each | 0 | N/A |

7. Please describe any special offerings you may provide (600 words or less).

N/A

8a. Have your network management practices changed over the last quarter? Yes No

8b. If so, please describe the changes (300 words or less).

N/A

9. Community Anchor Institutions:

Using the table below, please provide a list by service area of the community anchor institutions (including Government institutions) connected to your network as a result of BTOP funds. Figures should be reported for the most recent reporting quarter only (NOT cumulatively). Also indicate whether your organization is currently providing broadband service to the anchor institution. Finally, provide a short narrative description with examples of how institutions are using BTOP-funded infrastructure (300 words or less).

| Institution Name | Service Area (town or county) | Type of Anchor Institution (as defined in your baseline) | Are you also the broadband service provider for this institution? | Narrative description of how anchor institutions are using BTOP-funded infrastructure |
|------------------|-------------------------------|--|---|---|
| | | | | |

| | | | | |
|-----|-----|-----|------------|--|
| | | | (Yes / No) | |
| N/A | N/A | N/A | N/A | No community anchor institutions (CAI) connected yet via BTOP funds as we haven't started construction yet. We received the FONSI on 12/23/10. |

Project Indicators (Next Quarter)

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

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 | 20 | Expect to acquire materials for 3 of 6 service areas which comprise 40% of total project. FONSI received on 12/23/10 therefore, no fiber construction during 4Q2010. |
| 2b. | Environmental Assessment | 100 | N/A |
| 2c. | Network Design | 100 | N/A |
| 2d. | Rights of Way | 25 | N/A |
| 2e. | Construction Permits and Other Approvals | 15 | Since we received the FONSI on 12/23/10, there were no permits initiated |
| 2f. | Site Preparation | 100 | N/A |
| 2g. | Equipment Procurement | 10 | FONSI received on 12/23/10. As such, the final ordering, receipt and installation will be delayed to 2Q2011. We have completed an initial design for the first of 2 fiber rings on the East side of Madison. However, we do not have the procurement details worked out yet nor do we have a final design and are not ready to order just yet. |
| 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. 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).
Winter construction in WI is difficult and expensive. With the receipt of the FONSI on 12/23/10, UW will undertake construction in ~4/15/2011.

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 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$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 | \$537,264 | \$0 | \$537,264 | \$29,880 | \$1,455 | \$28,425 | \$45,000 | \$0 | \$45,000 |
| 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 | \$10,000 | \$0 | \$10,000 | \$0 | \$0 | \$0 | \$10,000 | \$0 | \$10,000 |
| h. Demolition and removal | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| i. Construction | \$8,180,587 | \$3,753,242 | \$4,427,345 | \$0 | \$0 | \$0 | \$3,673,242 | \$3,223,242 | \$450,000 |
| j. Equipment | \$131,764 | \$0 | \$131,764 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| k. Miscellaneous | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| l. SUBTOTAL (add a through k) | \$8,859,615 | \$3,753,242 | \$5,106,373 | \$29,880 | \$1,455 | \$28,425 | \$3,728,242 | \$3,223,242 | \$505,000 |
| m. Contingencies | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| n. TOTALS (sum of l and m) | \$8,859,615 | \$3,753,242 | \$5,106,373 | \$29,880 | \$1,455 | \$28,425 | \$3,728,242 | \$3,223,242 | \$505,000 |

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