




# FIRST PERFORMANCE PROGRESS REPORT

## First Quarter 2010

<b>1. Recipient Organization (Name and complete address including zip code)</b> Critical Hub Networks, Inc., 1314 Ponce de Leon Ave, San Juan, PR 00907	<b>2. Award Identification Number</b> NT10BIX5570018
<b>3. Performance Narrative (Q1)</b> <i>Please describe your project activities and progress for the first quarter of 2010. This should include a description of federal expenditures to date, key milestones, the primary activities needed to accomplish those milestones, significant project accomplishments, and any delays or challenges. Please use the milestone categories provided in your baseline report (e.g., environmental assessment, design, rights of way) to structure your answer. (500 words or less)</i>  <u>Environmental Assessment:</u> During the Puerto Rico Bridge Initiative (PRBI)'s first quarter, Critical Hub Networks satisfied its Environmental Assessment (EA) Special Award Condition.  <u>Network Design/Rights of Way:</u> Network Design and Rights of Way activities are being worked on simultaneously, as these tasks are dependent on each other. During the first quarter, Network Design and Right of Way activities focused on the deployment and activation of the submarine cable between Puerto Rico and Florida. The primary interconnection site in San Juan, Puerto Rico has been acquired and the procurement of site preparation was initiated.  <u>Other Tasks:</u> Other tasks conducted in the first quarter include: compliance with Special Award Conditions (including the EA and Accounting System Verification requirement); recruitment of project staff; community outreach activities; contract development and negotiations; and additional compliance activities.  <u>Expenditures:</u> Approximately \$38,361 was expended in Federal Funds. \$270,000 was contributed in-kind by Critical Hub Networks.	
<b>4. Performance Projections (Q2)</b> <i>Please describe your anticipated project activities and progress for the next quarter. This should include a description of federal expenditures, key milestones, the primary activities needed to accomplish those milestones, significant project accomplishments, and any potential delays or challenges you foresee. Please use the milestone categories provided in your baseline report (e.g., environmental assessment, design, rights of way) to structure your answer. (500 words or less)</i>  <u>Network Design:</u> High-Level Network Design work for the PRBI's Florida-Puerto Rico span will be completed during the second quarter.  <u>Rights of Way:</u> Contract negotiations for the Florida-Puerto Rico span will be completed during the second quarter. Any delay in negotiations, contract approval and contract execution could result in a delay to the project.  <u>Site Preparation:</u> Key preparations for the primary interconnection site will be initiated in the second quarter, to facilitate the commencement of network build of the Florida-Puerto Rico span in the third quarter.  <u>Equipment Procurement:</u> Procurement of the primary network components necessary for the Florida-Puerto Rico span will be completed during the second quarter. This includes drafting RFP/RFB based on network design; evaluation of proposals/bids presented; and vendor selection. Critical Hub expects that purchase order issuance, equipment delivery & acceptance can also be completed in Q2, subject to contract approval and execution in Q2 for the Florida-Puerto Rico span.  <u>Other Tasks:</u> Critical Hub will finalize contract development & negotiations for middle mile transit & peering services with 5 broadband providers with anticipated service activation in the fourth quarter. Ongoing activities include project staff recruitment, sales, marketing & public relations activities.  <u>Other Potential Delays/Challenges:</u> The PRBI's second quarter (July-September) falls during hurricane season in Puerto Rico. Any hurricane activity which affects Puerto Rico or the Miami, Florida area during Q2 could delay the activation of the FL-PR span. Contingency plans are in place to address preparedness, response & recovery in such event. However, a delay due to hurricane activity will not hinder the overall project completion timeframe, as the wireless network build out was not scheduled to commence until Q4 (January-March 2011), which can run concurrently in with the FL-PR span activation if deemed necessary.	

Expenditures: Critical Hub anticipates total expenditures of \$1.36 million, including approximately \$1.3 million in federal funds during the second quarter.

**5. 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.**

5a. Typed or Printed Name and Title of Authorized Certifying Official	5c. Telephone ( <i>area code, number and extension</i> ) <b>(787) 728-9000</b>
Carlo Marazzi, President	5d. Email Address cmarazzi@caribe.net
5b. Signature of Authorized Certifying Official 	5e. Date Report Submitted ( <i>Month, Day, Year</i> ) <b>07/27/2010</b>

According to the Paperwork Reduction Act, as amended, no person is required to respond to, nor shall any person be subject to penalty for failure to comply with, a collection of information subject to the requirements of the PRA, unless that collection of information displays a currently valid OMB control number. Public reporting burden for this collection of information is estimated to average 1 hour and 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Anthony G. Wilhelm, Director, Broadband Technology Opportunities Program, Office of Telecommunications and Information Applications, National Telecommunications and Information Administration, U.S. Department of Commerce (DOC), 1401 Constitution Avenue, N.W., HCHB, Room 4887, Washington, D.C. 20230.