QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Award Identification Number	3. DUNS Number
Department of Commerce, National Telecommunications and Information Administration	NT10BIX5570017	188655898

4. Recipient Organization

Executive Office of the Commonwealth of Pennsylvania (Office of Administration) 225 Capitol Building, Harrisburg, PA 17120-0001

5. Current Reporting Period End Date (MM/DD/YYYY)	6. Is this the last Report of the Award Period?
06-30-2013	○ Yes ◉ 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	7c. Telephone (area code, number and extension)
Holly Caudill	7174257650
	7d. Email Address
Administrative Officer	hcaudill@state.pa.us

7b. Signature of Certifying Official	7e. Date Report Submitted (MM/DD/YYYY):
Submitted Electronically	08-16-2013

RECIPIENT NAME:Executive Office of the Commonwealth of Pennsylvania (Office of Administration)

AWARD NUMBER: NT10BIX5570017

DATE: 08/16/2013

OMB CONTROL NUMBER: 0660-0037
EXPIRATION DATE: 6/30/2015

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).

During the second quarter, work began on the final two microwave backbone upgrades which will allow the project to reach into Sullivan County. Currently at 69 of 71 links complete, these final two connections will complete the network back bone and allow for connection to an additional 15 CAIs within Sullivan County.

Our broadband services manager continued to work with the connected last mile internet service providers to determine any and all connections capable of being completed within the remaining award period.

During the quarter, our broadband services manager met with Sullivan County executives to discuss specific technology initiatives. He also met with Cook State Forest park personnel and local businesses to discussing the broadband offering. In June, he met with staff from the Abraxas School and treatment facility to discuss what we could do to resolve their high speed internet challenges. He also met with the Wayne County Commissioners and their staff to discuss the development of broadband in their county.

During the quarter, an additional 23 CAIs were added to the network. Area Transportation Authority, a community support organization in Bradford, McKean County, connected to the network during the second quarter. The Cameron County Courthouse building in Emporium was also connected to the network. Within the courthouse, a total of 22 government and public safety agencies reside.

Network clean-up and planning for a final "end to end" test of the system continued through the quarter with the final test currently scheduled for July.

During the quarter, no additional requests were received for interconnection from Internet Service Providers in the northern tier.

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	91	Our project continues to make progress toward completion. The upgrade of the final two links of the microwave backbone are underway and testing of the complete network has been engineered and planned to take place in July. The project is on schedule for a successful completion in August.
2b.	Environmental Assessment	100	This milestone is complete.
2c.	Network Design	90	This milestone is on schedule. Invoices for work completed in June are expected within the month of July allowing us to complete this milestone.
2d.	Rights of Way	0	N/A This milestone does not apply to our project.
2e.	Construction Permits and Other Approvals	0	N/A This milestone does not apply to our project.
2f.	Site Preparation	98	This milestone remains on schedule. The final invoice for this category is expected within the month of July allowing us to complete this milestone.
2g.	Equipment Procurement	94	The items remaining in our Equipment Procurement category are related to the connection of last mile service providers and community anchor institutions which are currently in progress.
2h.	Network Build (all components - owned, leased, IRU, etc)	100	This milestone is complete.
2i.	Equipment Deployment	90	The items remaining in our Equipment Deployment category are related to the connection of last mile service providers and community anchor institutions which are currently in progress.
2j.	Network Testing	94	The items remaining in our Network Testing category are related to the final end to end testing of the network scheduled for mid July. Upon successful completion of the end to end test, this milestone will be complete.
2k.	Other (please specify): Customer Acquisition, Support and Billing	100	This milestone is complete.

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).

The steep and tree-covered terrain of rural Pennsylvania continues to prove difficult for clear line-of-sight last-mile wireless solutions. GIS analysis might predict "close" line of sight, but only through manual investigation can actual radio frequency propagation be

determined. In several instances, we will utilize 900MHz for fixed wireless last mile because it can penetrate up to ¼-mile of foliage obstruction. However, more potential CAIs have not materialized due to impenetrable foliage or actual ground obstruction.

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 for this project. There are no NEW network miles included in the project.
New network miles leased	0	N/A for this project.
Existing network miles upgraded	1,035	We have completed 69 of the 71 microwave radio connection upgrades on the network. Work is underway for the final two connections. Work on the final two links is expected to be completed within the month of July.
Existing network miles leased	0	N/A for this project.
Number of miles of new fiber (aerial or underground)	0	N/A for this project.
Number of new wireless links	69	The project is on schedule with the deployment of upgraded microwave radio links. We have completed 69 of the 71 links to date with the final two currently in progress and scheduled for completion in July.
Number of new towers	5	This key program indicator is complete.
Number of new and/or upgraded interconnection points	69	The project currently contains 69 upgraded nodes, each of which can be used as a point of interconnection. There are internet gateways to the network through two last mile service providers located at the western and middle portions of the network.

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	2
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	0
Average term of signed agreements (in quarters)	80

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less)**. Providers:**
We have signed agreements with two last mile service providers within the northern tier of Pennsylvania: KCNet of Lock Haven, Pennsylvania and North Central Regional Planning and Development Commission of Ridgway, Pennsylvania

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:**
We are offering Layer 2 MPLS Ethernet back haul that is not distance dependent, does not incur a per-hop charge, and is straightforward in price and application. The pricing plan contractually agreed-to with our two last mile providers is a revenue share, with the larger proportion of the share going to the last mile provider.
Our two last mile providers will be allocated whatever bandwidth they require. Today's optimistic estimates are <50Mbps for each. Should a retail customer need only data backhaul (no Internet), we will sell to them directly and anticipate $45 per month per physical port plus backhaul averaging $50/Mbps. This generic MPLS Ethernet back haul will be offered in data rate increments; 1.5/3/10/20Mbps.   These speed tiers are burstable with monthly charges adjusting based upon the percentage burst. For example, a 5Mbps service at $250/month wanting a 50% burst (to 7.5Mbps) would incur a 10% fee increase; a 100% burst increase (to 10Mbps)

would incur a 25% fee increase. We will enact non-recurring charges such as administrative setup fee of $100; network setup fee of $200; and physical setup fee at the remote site of $450. Customers will be allowed to adjust data rates within the term of the contract provided that there is a minimum of 1 month between changes. Each change requires a 2-week advance notice. We will offer customers a 10% discount off of the total price when committing to a 2-year term, or 25% off of the total price for a 3-year term.

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).

At this point, the Commonwealth has not designated a third party to manage all or a portion of the 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	We have not signed agreements with wholesalers or last mile providers who are receiving new access.
	Providers with signed agreements receiving improved access	2	We have connected to two last mile service providers. Each provider will be expanding their area of service through the use of our network.
	Providers with signed agreements receiving access to dark fiber	0	N/A. Dark fiber is not a part of the Commonwealth of Pennsylvania project.
	Please identify the speed tiers that are available and the number of subscribers for each	2	We have connected to two last mile internet service providers. We have allowed them to tell us what speeds they need instead of making them choose from what we chose to make available. At this point, we have provisioned 2 Mbps and 5 Mbps services.
Community Anchor Institutions (including Government institutions)	**Total subscribers served**	27	We have connected four Pennsylvania State Police (PSP) stations, 22 offices within Cameron County Courthouse and the Area Transit Authority in Bradford, McKean County.
	Subscribers receiving new access	0	The CAIs that we connected to the network are not receiving new access.
	Subscribers receiving improved access	27	All of the CAIs that we have connected to the network are receiving improved access.
	Please identify the speed tiers that are available and the number or subscribers for each	3	Four of the community anchor institutions that have connected to the network are each capable of receiving 40 Mbps. The remaining 23 CAIs are each capable of receiving 2 - 5 Mbps services. The actual service will be determined upon subscription.
Residential / Households	**Entities passed**	0	N/A. This middle mile infrastructure project does not and will not connect to any residence or households directly.
	Total subscribers served	0	N/A. This middle mile infrastructure project does not and will not connect to any residence or households directly.
	Subscribers receiving new access	0	N/A. This middle mile infrastructure project does not and will not connect to any residence or households directly.
	Subscribers receiving improved access	0	N/A. This middle mile infrastructure project does not and will not connect to any residence or households directly.
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A. This middle mile infrastructure project does not and will not connect to any residence or households directly.
Businesses	**Entities passed**	0	N/A. This middle mile infrastructure project does not and will not connect to any businesses directly.
	Total subscribers served	0	N/A. This middle mile infrastructure project does not and will not connect to any businesses directly.
	Subscribers receiving new access	0	N/A. This middle mile infrastructure project does not and will not connect to any businesses directly.
	Subscribers receiving improved access	0	N/A. This middle mile infrastructure project does not and will not connect to any businesses directly.

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 of subscribers for each	0	N/A. This middle mile infrastructure project does not and will not connect to any businesses directly.

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

We intended to offer customers a 10% discount off of the total price when committing to a 2-year term and 25% off of the total price for a 3-year term. As we connected last mile service providers to the network, the actual agreements to date have turned out to be for significantly longer periods of time. The contracts are actually for twenty years with a ten year renewal option.

We will offer our customers access to the compound and space on an elevated, external platform for the placement of their own weather-proof equipment cabinet.

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

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

Our network management practices have not changed. Additional information is publicly available on our website.

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? (Yes / No)	Narrative description of how anchor institutions are using BTOP-funded infrastructure
Area Transit Authority	Bradford	Community Support Organization	No	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Cameron County Emergency Management Agency	Emporium	Public Safety	No	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Cameron County Probation & Parole	Emporium	Public Safety	No	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Cameron County Sheriff	Emporium	Public Safety	No	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Cameron County Children & Youth Services	Emporium	Government	No	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Cooperative Extension Office of Penn State University	Emporium	Government	No	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Cameron County Magisterial District Court	Emporium	Government	No	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Cameron County Treasurer	Emporium	Government	No	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Cameron County Prothonotary's Office	Emporium	Government	No	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Cameron County Commissioners	Emporium	Government	No	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Cameron County Domestic Relations	Emporium	Government	No	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Cameron County Conservation Office	Emporium	Government	No	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Cameron County Assessment Office	Emporium	Government	No	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.

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
Cameron County Victim Witness Office	Emporium	Government	No	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Cameron County Elected Officials Office	Emporium	Government	No	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Cameron County Tax Collection Office	Emporium	Government	No	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Cameron County Planning Commission	Emporium	Government	No	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Cameron County School Directors	Emporium	Government	No	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Cameron County Township Auditors	Emporium	Government	No	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Cameron County Township Constables	Emporium	Government	No	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Cameron County Township Supervisors	Emporium	Government	No	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Emporium Borough	Emporium	Government	No	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.
Driftwood Borough	Emporium	Government	No	This CAI has connected to the network in order to obtain a more robust and reliable broadband source.

Project Indicators (Next Quarter)

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

Next quarter, we plan to finish up the links to all remaining community anchor institutions to be connected to our project during the award period. Currently we plan to connect 14 Community Anchor Institutions within the Sullivan County Courthouse as well as the Sullivan County Emergency Resource Communication Center (ERCC) during the third quarter. We plan to also connect a critical care facility in Clinton County as well as a public safety facility in McKean County. We are also working to connect state parks within Potter and Clarion counties, a community support organization in Elk County and a public TV station in Clearfield County. Should all of the work to connect these listed CAIs be completed within the award period, it will total an additional 21 CAIs for the project bringing our total to 48.

We also plan to fully test the network with an end to end test intended to put the network through multiple scenarios to ensure it operates as expected. Upon successful completion of the final testing of the system, we will be able to close out multiple purchasing documents on the project.

During the next quarter we will also complete the final two links of the microwave backbone taking the project to 71 of 71 complete and 1,064 miles of network upgraded.

We have presentations planned at the North-Central Regional Planning and Development Commission's semi-annual members meeting as well as the Area Transportation Authority's annual meeting.

No additional last mile providers are expected to connect to the network within the remainder of the award period; however, any requests that are received will be considered.

We anticipate receipt of the first program income for the network within the third quarter of 2013.

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	100	This milestone is expected to be complete.
2b.	Environmental Assessment	100	This milestone is complete.
2c.	Network Design	100	This milestone is expected to be complete.
2d.	Rights of Way	0	N/A This milestone does not apply to our project.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2e.	Construction Permits and Other Approvals	0	N/A This milestone does not apply to our project.
2f.	Site Preparation	100	This milestone is expected to be complete.
2g.	Equipment Procurement	100	This milestone is expected to be complete.
2h.	Network Build (all components - owned, leased, IRU, etc.)	100	This milestone is complete.
2i.	Equipment Deployment	100	This milestone is expected to be complete.
2j.	Network Testing	100	This milestone is expected to be complete.
2k.	Other (please specify): Customer Acquisition, Support and Billing	100	This milestone is complete.

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).

During the month of July, we will be evaluating the upgraded broadband network with an "end to end" test. This testing is designed to ensure that the network and its components operate reliably and in a manner that is to be expected. This testing will prove that the network works as it was engineered.

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.

Cost Classification	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		
	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	$2,993,093	$0	$2,993,093	$2,795,413	$0	$2,795,413	$2,993,093	$0	$2,993,093
b. Land, structures, right-of-ways, appraisals, etc.	$5,873,400	$5,125,890	$747,510	$5,873,400	$5,125,890	$747,510	$5,873,400	$5,125,890	$747,510
c. Relocation expenses and payments	$0	$0	$0	$0	$0	$0	$0	$0	$0
d. Architectural and engineering fees	$2,997,474	$0	$2,997,474	$2,636,687	$0	$2,636,687	$2,997,474	$0	$2,997,474
e. Other architectural and engineering fees	$495,125	$0	$495,125	$415,595	$0	$415,595	$495,125	$0	$495,125
f. Project inspection fees	$1,600,436	$0	$1,600,436	$1,505,681	$0	$1,505,681	$1,600,436	$0	$1,600,436
g. Site work	$7,291,363	$0	$7,291,363	$6,299,292	$0	$6,299,292	$7,291,363	$0	$7,291,363
h. Demolition and removal	$0	$0	$0	$0	$0	$0	$0	$0	$0
i. Construction	$2,040,021	$498,464	$1,541,557	$1,958,470	$498,463	$1,460,007	$2,040,021	$498,464	$1,541,557
j. Equipment	$12,689,105	$1,571,649	$11,117,456	$11,382,169	$1,251,025	$10,131,144	$12,689,105	$1,571,649	$11,117,456
k. Miscellaneous	$0	$0	$0	$0	$0	$0	$0	$0	$0
l. SUBTOTAL (add a through k)	$35,980,017	$7,196,003	$28,784,014	$32,866,707	$6,875,378	$25,991,329	$35,980,017	$7,196,003	$28,784,014
m. Contingencies	$0	$0	$0	$0	$0	$0	$0	$0	$0
n. TOTALS (sum of l and m)	$35,980,017	$7,196,003	$28,784,014	$32,866,707	$6,875,378	$25,991,329	$35,980,017	$7,196,003	$28,784,014

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: $1,567,257	b. Program Income to Date: $0