

QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information		
1. Federal Agency and Organizational Element to Which Report is Submitted Department of Commerce, National Telecommunications and Information Administration	2. Award Identification Number NT10BIX5570018	3. DUNS Number 014409657
4. Recipient Organization 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) 06-30-2011	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) 7877289000	7d. Email Address kmarazzi@caribe.net
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 07-11-2011	

Project Indicators (This Quarter)

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

During the previous quarter, the PRBI project accomplishments included: (a) Terrestrial Network Deployment: Negotiations for tower sites in progress. Site inspections and review of availability of licensed frequencies, pathloss and endpoint bandwidth/capacity planning in progress. Development of RFP for wireless network equipment in progress. (b) Interconnection Agreements: Execution of interconnection agreement with broadband providers. Ongoing negotiations with broadband providers, government agencies and community anchor institutions on interconnection agreements. (c) Peering: Continued negotiations of peering agreements with network & content providers in MIA-NAP. Connections with Facebook, Google and Amazon were completed, among others. (d) Steering Committee: Two government representative accepted our invitation to the Steering Committee. The first Steering Committee meeting was held June 28. (e) Employee recruiting: 4 new recruitment took place -RF Engineer, Field Specialist, Grant Finance/Reporting Accountant and Network Engineer. Employee recruiting is ongoing. (f) Provisioning: Continuity of provisioning of interconnections with broadband provider networks -1 new provider was activated (g) Community Outreach: Implementation of Community Outreach plan. Meetings held with other ARRA and BTOP recipients, government representatives, government agencies and educational institutions seeking collaboration to support the expansion of broadband usage. Participation of activities that promote the project such as the Puerto Rico Techno Economic Summit, the Caribbean ICT Roadshow, Internet Society of Puerto Rico IXP presentation, Puerto Rico Hospital Association convention. Ongoing community outreach through media presentations including print, television and radio. (h) Facilities: Rooftop facility readiness for interconnecting networks in process. Platform and frame completed; electrical and fiber connectivity in progress.

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	90	Variance of 2.5% from baseline, no variance from revision last quarter.
2b.	Environmental Assessment	100	No variance from baseline.
2c.	Network Design	66	No variance from baseline.
2d.	Rights of Way	63	Variance of 14% from baseline due to delays in finalization of legal agreements for terrestrial network tower sites.
2e.	Construction Permits and Other Approvals	0	N/A
2f.	Site Preparation	63	Variance of 30% from baseline due to delays in finalization of legal agreements for terrestrial network tower sites.
2g.	Equipment Procurement	44	Variance of 32% from baseline due to delays in finalization of legal agreements for terrestrial network tower sites.
2h.	Network Build (all components - owned, leased, IRU, etc)	99	No variance from baseline.
2i.	Equipment Deployment	17	Variance of 15% from baseline due to delays in finalization of legal agreements for terrestrial network tower sites.
2j.	Network Testing	10	Variance of 7% from baseline due to delays in finalization of legal agreements for terrestrial network tower sites.
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).

We are currently finalizing the capital lease agreements for the network tower sites, which was delayed in part due to some of the sites identified were not able to enter into a capital lease and alternative sites needed to be located which could be substituted. FCC licensing and equipment procurement for RF equipment is delayed due to finalization of contracts for tower sites. Various interconnections which are being constructed by broadband providers, as well as tower site analysis work was delayed due to poor weather conditions in Puerto Rico. There was significant rain during the quarter.

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	Variance of 14 miles due to finalization of contracts for tower sites.
New network miles leased	3,901	No variance
Existing network miles upgraded	0	No variance
Existing network miles leased	0	No variance
Number of miles of new fiber (aerial or underground)	3,901	No variance
Number of new wireless links	0	Variance of 3 due to finalization of contracts for tower sites.
Number of new towers	0	Variance of 1 due to finalization of contracts for tower sites.
Number of new and/or upgraded interconnection points	2	Variance of 2 due to finalization of contracts for tower sites

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	9
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	13
Average term of signed agreements (in quarters)	12

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: OSNet, Worldnet, and Liberty Cablevision have completed its last mile connectivity and its interconnection was activated. The other six (6) pending networks are in the process of constructing their last mile to the PRBI interconnection site. Due to competitive purposes, the names of the providers who have signed agreements will be released upon successful activation of interconnection.

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:

PRBI will provide middle-mile transit and peering/IXP 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 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

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	No variance from baseline
	Providers with signed agreements receiving improved access	3	Delays in last-mile construction have delayed network activation for pending customers. However, we are ahead of baseline projections for signed interconnection agreements.
	Providers with signed agreements receiving access to dark fiber	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 of subscribers for each	3	Services are available from 100Mbps to 1Gbps.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Calculations for Community Anchor Institutions served included connectivity to be provided via interconnected last mile providers. Providers will report their interconnected CAI's in 2012.
	Subscribers receiving new access	0	No variance
	Subscribers receiving improved access	0	Calculations for Community Anchor Institutions served included connectivity to be provided via interconnected last mile providers. Providers will report their interconnected CAI's in 2012.
	Please identify the speed tiers that are available and the number of subscribers for each	0	No variance
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).
 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 organizations; and broadband providers.

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? (Yes / No)	Narrative description of how anchor institutions are using BTOP-funded infrastructure

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
N/A	N/A	N/A	N/A	No CAI directly connected to date.

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 During the next quarter, we anticipate the following accomplishments: (a) Finalization of tower site agreement(s). (b) Completion of RFP process for Microwave Equipment and issuance of purchase order for equipment acquisition. (c) Engineering Design Implementation: Completion of rooftop facilities; (d) Interconnection Agreements: execution of additional interconnection agreements; (e) Network Interconnectivity: Continuity of activation of peering and interconnection with content and network providers at MIA-NAP and PR-NAP.(f) Steering Committee: Scheduling next meeting and seeking candidates to fill final two (2) seats on committee. (g) Ongoing community outreach and work with key agencies including Department of Education and Office of the CIO.

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	92	No significant variance
2b.	Environmental Assessment	100	No variance
2c.	Network Design	74	No significant variance
2d.	Rights of Way	94	We anticipate completion of contracts and disbursement of payment in this quarter.
2e.	Construction Permits and Other Approvals	0	N/A
2f.	Site Preparation	81	Equipment will be received at the end of the quarter.
2g.	Equipment Procurement	47	We anticipate completion of procurement selection process for RF equipment, however funds will not be disbursed in this quarter for payment on equipment.
2h.	Network Build (all components - owned, leased, IRU, etc.)	99	No significant variance
2i.	Equipment Deployment	26	While recruitment has been completed, original delays in staff recruiting continues to be reflected in expenditures
2j.	Network Testing	16	While recruitment has been completed, original delays in staff recruiting continues to be reflected in expenditures
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).

(a) Weather: Much of the work remaining to be completed will be in the mounting of antennas on existing towers or rooftop. Due to the nature of many facility activation activities, any adverse weather conditions which impact the Island may affect the progress of the project. (b) External Contractors Deliverable: If any external contractor/supplier/vendor incur in delays or does not fulfill the established plan - deliverable - it also affects the project outcome. In order to reduce risk of contractor/supplier in compliance, we are limiting what we contract our and supervising work on a regular basis. (c) Capital Lease - if we are unable to finalize the capital leases for the tower sites, we will need to seek alternative sites which may require approval for route changes and other approvals.

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	\$169,258	\$0	\$169,258	\$236,123	\$0	\$236,123
b. Land, structures, right-of-ways, appraisals, etc.	\$27,151,000	\$5,840,000	\$21,311,000	\$26,515,000	\$5,840,000	\$20,675,000	\$27,105,000	\$5,840,000	\$21,265,000
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	\$212,095	\$0	\$212,095	\$304,670	\$0	\$304,670
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	\$368,828	\$0	\$368,828	\$446,459	\$0	\$446,459
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$622,031	\$0	\$622,031	\$300,171	\$0	\$300,171	\$387,222	\$0	\$387,222
j. Equipment	\$2,149,732	\$760,950	\$1,388,782	\$927,995	\$578,380	\$349,615	\$1,006,214	\$578,380	\$427,834
k. Miscellaneous	\$29,571	\$5,475	\$24,096	\$6,073	\$0	\$6,073	\$7,186	\$0	\$7,339
l. SUBTOTAL (add a through k)	\$32,288,795	\$6,606,425	\$25,682,370	\$28,503,920	\$6,418,380	\$22,085,540	\$29,497,374	\$6,418,380	\$23,079,147
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$32,288,795	\$6,606,425	\$25,682,370	\$28,503,920	\$6,418,380	\$22,085,540	\$29,497,374	\$6,418,380	\$23,079,147

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: \$20,800
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