

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 NT10BIX5570026	3. DUNS Number 831415570
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4. Recipient Organization

Keystone Initiative For Network Based Education and Research 777 W. Harrisburg Pike, Middletown, PA 17057-4846

5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2012	6. Is this the last Report of the Award Period? <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.

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

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-09-2012
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Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 KINBER met the grant special award condition to have the project substantially complete by February 2012. In fact, many of the baseline milestones were exceeded.
 At the end of Q1, 2012; KINBER reports 787 miles of fiber completed. Thirty-nine (39) Community Anchor Institutions (CAIs) are connected to the network. Sixty (of 62) building surveys have been completed and entrance construction has been completed on 43 sites. KINBER received approval on a final Environmental assessment that allows project coordination in Western Pennsylvania with another BTOP awardee, Zito Media LLC.
 KINBER has completed the staging and burn-in activities for PennREN network equipment and has completed network equipment installations at six (6) of the twenty-three (23) planned locations to house equipment. KINBER staff have initiated negotiations for external network connectivity providers to deliver services to PennREN including Internet2, Internet, and MPLS based VPN services. We have also engaged and started integration planning and startup activities for network operations center services with outsourced provider (GRNOC - Global Research Network Operations Center). Staff have also initiated network IP and Autonomous System Number requests with ARIN for integration with external networks and providers.
 KINBER staff submitted a satisfactory response to a request for a Performance Improvement Plan (PIP) by the NTIA. KINBER continues to have discussions with last mile providers to satisfy its open access requirement.

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	72	Although the project is slightly behind schedule; it met the substantially complete obligation in February 2012. The project continues to move forward and is actually ahead of schedule in many milestone categories. The allocation of funds is behind due to the deliverable based nature of KINBER's fixed-price construction contract billing.
2b.	Environmental Assessment	100	Milestone is complete.
2c.	Network Design	100	Milestone is complete.
2d.	Rights of Way	97	Project is on schedule.
2e.	Construction Permits and Other Approvals	93	We are waiting on a few permits to be released for construction activities to commence. Many of these permits are on small sections of segments, delaying segment completion. This will not delay the project.
2f.	Site Preparation	75	Project is on schedule.
2g.	Equipment Procurement	86	Project is on schedule.
2h.	Network Build (all components - owned, leased, IRU, etc)	50	Project is on schedule.
2i.	Equipment Deployment	26	Equipment has been deployed at six (6) of twenty-three (23) sites requiring equipment. Equipment has been received for most of the other locations and staged at a secure facility awaiting deployment.
2j.	Network Testing	0	Although fiber and equipment have been deployed in many sites on the network, connectivity has not been established and the network does not yet have a lit segment to test the network.
2k.	Other (please specify): Fiber Procurement	100	KINBER has received all of the fiber necessary to build the network.

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).

There were some minor delays in getting answers to issues that were raised in the past two quarters such as Davis Bacon wage rates and the necessity of an on-site archeologist for construction work that was being done on ground that had been previously dug or disturbed with no prior discovery. BTOP program staff assisted in the resolution of both issues.

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	787	This exceeds the baseline plan of 237 miles complete.
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)	787	This exceeds the baseline plan of 237 miles complete.
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.

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	3
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 at this time.

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:

Service offering and pricing models are still under review by the KINBER Board of Directors.

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	Network services are not yet being offered.

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 services are not yet being offered.
	Providers with signed agreements receiving access to dark fiber	0	Network services are not yet being offered.
	Please identify the speed tiers that are available and the number of subscribers for each	0	100 M to 10 G
Community Anchor Institutions (including Government institutions)	Total subscribers served	39	Although 39 CAIs have been connected to the network, no services are currently being offered.
	Subscribers receiving new access	3	Although 39 CAIs have been connected to the network, no services are currently being offered.
	Subscribers receiving improved access	36	Although 39 CAIs have been connected to the network, no services are currently being offered.
	Please identify the speed tiers that are available and the number or subscribers for each	0	No services are currently being offered.
Residential / Households	Entities passed	0	n/a. KINBER will not be offering last mile or residential services.
	Total subscribers served	0	n/a. KINBER will not be offering last mile or residential services.
	Subscribers receiving new access	0	n/a. KINBER will not be offering last mile or residential services.
	Subscribers receiving improved access	0	n/a. KINBER will not be offering last mile or residential services.
	Please identify the speed tiers that are available and the number of subscribers for each	0	n/a. KINBER will not be offering last mile or residential services.
Businesses	Entities passed	0	n/a. KINBER will not be providing services to businesses.
	Total subscribers served	0	n/a. KINBER will not be providing services to businesses.
	Subscribers receiving new access	0	n/a. KINBER will not be providing services to businesses.
	Subscribers receiving improved access	0	n/a. KINBER will not be providing services to businesses.
	Please identify the speed tiers that are available and the number of subscribers for each	0	n/a. KINBER will not be providing services to businesses.

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

None at this time.

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. No changes.

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
Allegheny Center Mall	Pittsburgh	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Windstream	State College	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Penn State- Main	State College	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Bucks County Community College	Newtown	Community College	No	Although this location is connected to the network, no services are being offered yet.
Community College of Philadelphia	Philadelphia	Community College	No	Although this location is connected to the network, no services are being offered yet.
Delaware County Community College	Media	Community College	No	Although this location is connected to the network, no services are being offered yet.
Lehigh Carbon Community College	Schnecksville	Community College	No	Although this location is connected to the network, no services are being offered yet.
Montgomery County Community College	Pottstown	Community College	No	Although this location is connected to the network, no services are being offered yet.
Westmoreland Community College	Youngwood	Community College	No	Although this location is connected to the network, no services are being offered yet.
Butler County Community College	Pittsburgh	Community College	No	Although this location is connected to the network, no services are being offered yet.
Community College of Allegheny County	Pittsburgh	Community College	No	Although this location is connected to the network, no services are being offered yet.
Community College of Beaver County	Monaca	Community College	No	Although this location is connected to the network, no services are being offered yet.
Drexel University	Philadelphia	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Lehigh University	Bethlehem	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
401 North Broad Street	Philadelphia	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Kutztown University	Kutztown	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Reading Area Community College	Reading	Community College	No	Although this location is connected to the network, no services are being offered yet.
Cheyney University	Cheyney	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Millersville University	Millersville	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
West Chester University	West Chester	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
California University	California	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.

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
Indiana University	Indiana	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Slippery Rock University	Slippery Rock	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Penn State Beaver	Monaca	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
University of Pennsylvania	Philadelphi a	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
University of Pittsburgh - Greensburg	Greensburg	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
University of Pittsburgh- Main Campus	Pittsburgh	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Penn State New Kensington	Upper Burrell	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Penn State Abington	Abington	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Penn State Berks	Reading	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Penn State Great Valley	Malvern	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Penn State Lehigh Valley	Center Valley	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Penn State Schuylkill	Schuylkill Haven	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Penn State Delaware County	Media	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Penn State Harrisburg	Harrisburg	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Penn State York	York	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Penn State Hershey Medical Center	Hershey	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Penn State Fayette	Uniontown	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.
Penn State Greater Allegheny	McKeensport	Other Institution of Higher Education	No	Although this location is connected to the network, no services are being offered yet.

Project Indicators (Next Quarter)

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

In 2012 Q2, KINBER will continue equipment installations at designated locations per the project schedule and begin segment testing on select network segments to prepare for segment turnover activities. We will have over 1,000 miles of fiber completed and at least 43 community anchor institutions connected to the network. All equipment will be procured. Equipment will be staged and delivered to ten (10) of the twenty-three (23) sites requiring equipment. At least one segment will be lit and tested.

KINBER will finalize its 2013 operating budget and service offering catalog as well as develop pricing models. KINBER will continue the search to hire two additional network engineers and advertise other positions in sales and administration. These job titles and responsibilities are yet to be determined. No federal grant funds will be used for any of these positions.

The KINBER staff and board will continue to build the organization's visibility through public meetings, a marketing campaign and creating a framework for handling sales and service inquiries. Additionally, KINBER's website will become more robust with content and information. KINBER will be hosting the first annual Member Meeting, which is open to the public, in April. The member meeting is envisioned as an opportunity for public officials, anchor institution representatives, and the public to learn more about KINBER and what the PennREN network will be offering. It will also be a place for people to collaborate on projects and technology solutions for their institutions. The KINBER Board and staff will be holding a "Town Hall" session to share their vision for the future of KINBER and answer questions from attendees.

Negotiations with last mile providers will continue as will discussions about an IRU of KINBER fiber to meet the NTIA open access requirements.

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	84	Project is reported as slightly behind schedule due to the deliverable-based billing relationship it has with its construction vendor. Work that is incrementally completed may not be paid in full or reported until the segment has been fully completed and this skews the actual project completion reporting.
2b.	Environmental Assessment	100	Project is on schedule.
2c.	Network Design	100	Project is on schedule.
2d.	Rights of Way	97	We anticipate some continuing delays in getting Right of Way approvals.
2e.	Construction Permits and Other Approvals	97	We anticipate some delays in getting permits approved.
2f.	Site Preparation	95	Project is on schedule.
2g.	Equipment Procurement	100	Project is on schedule.
2h.	Network Build (all components - owned, leased, IRU, etc.)	75	Project is on schedule.
2i.	Equipment Deployment	70	Project is on schedule.
2j.	Network Testing	10	It was decided to hold equipment in intermediary staging facilities rather than deliver it to the various node sites across the state until fiber terminations were available in each location for appropriate setup and testing. Although it has slowed the ability to connect and test equipment on the first few segments, it will allow us to more quickly deploy staff to address multiple segments as they come online.
2k.	Other (please specify): Fiber Procurement	100	KINBER has received all fiber necessary to build the network.

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).

Although we do not anticipate any new challenges in 2012, Q2 we continue to wait for make ready and right of way permits and this could result in delays. We have some segments that can not be completed and tested due to small portions of the network that have not yet received all of the necessary approvals. Specifically, there is an Amtrak crossing in Paradise, Pa. (Segment C) that we have been waiting over a year for approvals on the permits that were filed in 2011. These delays could force much of the segment testing into the last few months of the grant award period.

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	\$3,041,347	\$3,041,347	\$0	\$3,513,083	\$3,513,083	\$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	\$483,038	\$292,500	\$190,538	\$507,500	\$292,500	\$215,000
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	\$190,000	\$190,000	\$0	\$190,000	\$190,000	\$0	\$190,000	\$190,000	\$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	\$83,930,814	\$16,782,313	\$67,148,501	\$99,500,000	\$19,500,000	\$80,000,000
j. Equipment	\$5,850,000	\$1,610,000	\$4,240,000	\$5,260,592	\$1,610,000	\$3,650,592	\$5,850,000	\$1,610,000	\$4,240,000
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$128,958,031	\$29,297,353	\$99,660,678	\$92,905,791	\$21,916,160	\$70,989,631	\$109,560,583	\$25,105,583	\$84,455,000
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$128,958,031	\$29,297,353	\$99,660,678	\$92,905,791	\$21,916,160	\$70,989,631	\$109,560,583	\$25,105,583	\$84,455,000

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
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