

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) 12-31-2011	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): 02-17-2012
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(Empty space for additional comments or signatures)

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 At the end of Q4, 2011; KINBER reports 548 miles of fiber completed. Sixty (of 62) building surveys have been completed and the building fiber entrance construction has been completed on 43 sites. Electronics cabinets have been installed in 28 locations. KINBER received approval to proceed with a cooperative overlash agreement with another BTOP awardee, Zito Media LLC. The final environmental assessment is being prepared for submission. The first round of purchased hardware has been received, staged, inventoried and tested. Purchase orders were issued for the second and third round of hardware purchases. KINBER has established a staging facility for receipt of hardware for testing and inventory work. Additionally, KINBER has concluded and submitted the annual financial and A-133 audits. No issues were identified by the auditors. The business plan was completed and a 5-year strategic planning process has begun. Services to be delivered and a pricing structure have been developed. KINBER signed a Network Operation Center (NOC) service provider agreement and is negotiating an out-of-band management circuit provider agreement.

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	53	Overall project is being reported as slightly behind due to the deliverable based billing nature of our construction contract. The project will be over 70% complete in Q1 2012.
2b.	Environmental Assessment	100	Project is on schedule.
2c.	Network Design	100	Project is on schedule.
2d.	Rights of Way	97	Project is on schedule.
2e.	Construction Permits and Other Approvals	90	We are awaiting conduit approvals related to a change in route related to the Zito project overlash.
2f.	Site Preparation	75	Project is ahead of schedule.
2g.	Equipment Procurement	79	The optical equipment has been ordered and received. It is currently being tested and configured. Additional equipment is ordered.
2h.	Network Build (all components - owned, leased, IRU, etc)	15	Project is on schedule.
2i.	Equipment Deployment	0	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. It is expected that 40% of the equipment will be deployed in Q1 2012.
2j.	Network Testing	0	Equipment deployment has not yet taken place but will begin in Q1 2012.
2k.	Other (please specify): Fiber Procurement	100	KINBER has received over 1,030 miles of NZD fiber and has secured dedicated factory time to manufacture the remaining fiber necessary to build the network. It is anticipated that sufficient quantities of fiber will be ordered and delivered well in advance of their need.

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).
 It was necessary to request a route change due to a potential overlap with another BTOP funded project. (Zito Media). The related environmental assessment (EA) has slowed down construction progress on that section of the network. Once the EA is approved, progress will begin. The project is also trying to catch up from a 2-3 week delay related to weather in Q3 2011.
 In order to reduce liability and cost, and increase the efficiency of equipment delivery, KINBER elected to receive, inventory, test and configure its optical and network equipment in two staging facilities, strategically located in the state. This slowed the initial deployment of equipment to node sites; but will facilitate a more coordinated and rapid deployment in the next two reporting quarters.

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	548	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)	548	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 and pricing models were drafted and presented to the KINBER Board of Directors in Q4 2011 and are currently under review.

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 third party operates (600 words or less).
n/a. KINBER will operate the PennREN 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	Network construction is on-going. No services are being offered at this time.
	Providers with signed agreements receiving improved access	0	Network construction is on-going. No services are being offered at this time.

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 access to dark fiber	0	Network construction is on-going. No services are being offered at this time.
	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	0	Network construction is on-going. No services are being offered at this time however 43 sites have been prepped for fiber entrance from outside poles. It is anticipated that 13 sites will be connected to the network in Q1 2012.
	Subscribers receiving new access	0	Network construction is on-going. No services are being offered at this time.
	Subscribers receiving improved access	0	Network construction is on-going. No services are being offered at this time.
	Please identify the speed tiers that are available and the number or subscribers for each	0	Network construction is on-going. No services are being offered at this time.
Residential / Households	Entities passed	0	n/a. KINBER will not be providing last mile or residential services.
	Total subscribers served	0	n/a. KINBER will not be providing last mile or residential services.
	Subscribers receiving new access	0	n/a. KINBER will not be providing last mile or residential services.
	Subscribers receiving improved access	0	n/a. KINBER will not be providing 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 providing 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.

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	Narrative description of how anchor institutions are using BTOP-funded infrastructure

			institution? (Yes / No)	
n/a	n/a	n/a	n/a	The network is currently under construction. No CAIs are connected at this time.

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 The project will be substantially complete. (Overall project greater than 66% complete). 700 miles of fiber will be strung and six segments (B,C, F, G, L, and M) will be lit. Ten (10) CAIs will be connected. All equipment will be received and tested. At least one last mile provider will be in contract negotiations. KINBER expects to receive its final EA approval for the route change necessitated by the Zito Media project overlap. We will hire an additional network engineer and finalize plans for a two-day "member networking" event to showcase the services and potential of the PennREN network and facilitate conversations about collaboration.

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	69	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	100	Project is on schedule.
2e.	Construction Permits and Other Approvals	100	Project is on schedule.
2f.	Site Preparation	92	Project is on schedule.
2g.	Equipment Procurement	95	Project is on schedule.
2h.	Network Build (all components - owned, leased, IRU, etc.)	50	Project is on schedule.
2i.	Equipment Deployment	40	Project is on schedule.
2j.	Network Testing	40	Project is on schedule.
2k.	Other (please specify): Fiber Procurement	100	KINBER has received over 1,030 miles of NZD fiber and has secured dedicated factory time to manufacture the remaining 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).
 Winter weather is always an unpredictable factor. Conduit approvals on bridge crossings near Pittsburgh are the only potential challenge identified in the upcoming quarter.

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	\$1,023,552	\$1,023,552	\$0	\$1,500,000	\$1,500,000	\$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	\$459,913	\$292,500	\$167,413	\$506,163	\$292,500	\$213,663
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	\$0	\$0	\$0	\$0	\$0	\$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	\$61,997,789	\$12,395,708	\$49,602,081	\$80,053,989	\$16,006,948	\$64,047,041
j. Equipment	\$5,850,000	\$1,610,000	\$4,240,000	\$4,596,314	\$1,981,118	\$2,615,196	\$6,300,000	\$2,300,000	\$4,000,000
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	\$68,077,568	\$15,692,878	\$52,384,690	\$88,360,152	\$20,099,448	\$68,260,704
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	\$68,077,568	\$15,692,878	\$52,384,690	\$88,360,152	\$20,099,448	\$68,260,704

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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