

RECIPIENT NAME:University of Illinois

AWARD NUMBER: NT10BIX5570044

DATE: 11/26/2012

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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 NT10BIX5570044	3. DUNS Number 041544081
4. Recipient Organization University of Illinois 506 Wright Street 364 Henry Admin. Bldg, Urbana, IL 61801-3620		
5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2012	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 Michael K Smeltzer Director of Networkiing	7c. Telephone (area code, number and extension) 2172443835	
	7d. Email Address smeltzer@uillinois.edu	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-26-2012	

Project Indicators (This Quarter)

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

This past quarter saw a significant milestone for the Urbana-Champaign Big Broadband (UC2B) project. The first of our Community Anchor Institution (CAI) and Fiber-to-the-Premise (FTTP) customers were connected to the UC2B network via fiber and began receiving UC2B Internet services.

In addition to the fiber construction, all of the work behind the scenes had to be completed in order for those first Internet customers' connections to work. That required the acquisition, installation and configuration of all the core network equipment, making the connections to our upstream Internet provider, as well as turning up support systems such as Domain Name Service (DNS), Dynamic Host Configuration Protocol (DHCP) and network monitoring.

As of this report, almost all of the middle-mile fiber cables have been installed although some of them still need to be spliced. In the FTTP areas, almost all of the fiber-to-the-curb cables are in the ground, with some still needing to be spliced and tested. All twelve of the neighborhood equipment cabinets have equipment and power and are ready for fiber splicing, but we are rolling out FTTP installations in compact areas to make the most efficient use of our installers.

We are one of a dozen charter communities nationwide for the US Ignite initiative, which will develop the next generation of applications that will leverage gigabit networks – like UC2B. The University of Illinois' research community is engaged with the US Ignite effort, and we hope to be able to provide UC2B customers with access to applications developed through US Ignite from across the country.

In late September, UC2B was honored by NATOA as their 2012 National Community Broadband Project of the Year. NATOA is a national trade association representing local government jurisdictions and consortiums, including elected and appointed officials and staff, who oversee communications policies and services in local governments throughout the country. Larry Strickling, Assistant Secretary of Commerce and Administrator of NTIA, was honored by NATOA in 2010 as the Broadband Hero of the Year, so UC2B is in good company as a NATOA honoree.

We have attached some documentation and photos from US Ignite and NATOA to this report.

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	Our baseline projected 100%, which was based on getting a lot of construction completed in the summer of 2011, which did not happen. Due to the delays in completing our detailed fiber design and in hiring our construction contractors, construction did not begin until the end of the 3rd quarter of 2011. Our Phase One contractors are very close to completing the middle-mile fiber, Community Anchor Institution laterals and the fiber to the curb in the Fiber-to-the-Premise (FTTP) areas. Our Phase Two contractor which is connecting our FTTP locations to the fiber in the public rights-of-way is not making as much progress as we would like. That portion of our project is in jeopardy of not being complete by our deadline. The percentage shown reflects the actual total dollars spent to date, not our federal dollar percentage, which is 48.75%. As our State matching grant expires in October, we have been spending our local match dollars faster than our NTIA grant dollars.
2b.	Environmental Assessment	100	Complete
2c.	Network Design	100	Complete
2d.	Rights of Way	97	Baseline projected 100%. We are in the final stages of securing several previously identified private easements. Since construction has started, we have discovered several additional locations where the cities thought they had an existing right-of-way, but the nearby property owners believed otherwise. There is now only one of those issues left to resolve, and supposedly the signed easement form is in the mail. There are also some lingering easement issues with the owners of two mobile home

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			parks in our Fiber-to-the-Premise (FTTP) service area. One of those owners has now indicated a willingness to sign the easement, the second has not yet done so, despite our best efforts to instill a sense of urgency with that owner.
2e.	Construction Permits and Other Approvals	100	Complete
2f.	Site Preparation	100	Complete
2g.	Equipment Procurement	80	Baseline projected at 100%. We have now received 80% of our equipment, but have not yet ordered the final half of the customer premise equipment. We had projected a total of 2,700 customers, and we currently have just under 1,200 enrolled, so we will wait to order the additional equipment until our sales require us to do so. The equipment that resides at a customer location will be purchased on an as-needed basis. There is typically a one or two-year warranty on the customer equipment, which starts when it is purchased, not when it is installed. If we purchase the customer equipment too far ahead of time, we use up too much of the warranty before it is ever deployed. We expect to purchase the last of the customer premise equipment in the 1st quarter of 2013.
2h.	Network Build (all components - owned, leased, IRU, etc)	80	Baseline projection was 100%. Construction was delayed by the length of time it took for the Environmental Assessment, the fiber engineering and completing the RFP process for our construction contractors. We underestimated all three in our baseline plan. The final Middle-Mile Network Build will be completed next quarter. While this is not a metric that NTIA is tracking, we have installed 163.4 miles of conduit through September, which represents 97% of the total Middle-Mile conduit for the project. 157.1 miles (94% percent) of our Middle-Mile fiber and fiber-to-the-curb has been pulled. What remains are the drop cables from the curb into the homes, businesses and Anchor Institutions.
2i.	Equipment Deployment	60	Baseline projection was 100%. Equipment Deployment has been delayed by the length of time it took for the Environmental Assessment, the fiber engineering and completing the RFP process for our construction contractors. We underestimated all three in our baseline plan. Our 14 core Active Ethernet chassis have all been deployed as has all of our core network electronics. At the end of the 3rd quarter, only 20 of our Customer Premise Equipment (CPE) had been deployed. The Phase Two construction crews are now averaging some 8-10 installations a day, so the number of Customer CPE climbs weekly. As of October 30th there were 120 live customers on the UC2B network. We will continue installing customers through January of 2013, so the final date for equipment deployment will be January 31, 2013.
2j.	Network Testing	20	Baseline projection was 100%. Network Testing has been delayed by the length of time it took for the Environmental Assessment, the fiber engineering and completing the RFP process for our construction contractors. We underestimated all three in our baseline plan. We originally projected network testing to be complete by last quarter. It now seems likely that the actual date will be in the 4th quarter of 2012 instead. Testing has been done on some of the middle-mile ring cables and some of the fiber-to-the-curb cables, and will continue in the 4th quarter until complete.
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).

Our primary challenge has been ramping up the Phase-Two contractor that is building the fiber drop from the curbs to homes, businesses and Anchor Institutions. The prime contractor has engaged one sub-contractor to build the drops cables to the Anchor Institutions and a second sub-contractor to build the drop cables to the homes and businesses in the Fiber-to-the-Premise (FTTP) grant-funded areas. The sub-contractor building the fiber cable drops to the Anchor Institutions has made good progress and is well on

its way to complete that construction in a timely manner. The sub-contractor that is building the fiber drop cables to the FTTP homes and businesses and installing the customer premise equipment has had a number of issues that have limited their progress. We have asked the prime contractor for an action plan that will result in getting the 1,000 homes and businesses that have already signed service contracts installed before February 1st, but there is not a high degree of confidence that they will be able to achieve that.

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	149	Baseline projected 187.06 miles. Our detailed fiber engineering and our construction bidding have taken longer than we estimated in our baseline plan. We were therefore behind in starting construction by about two quarters. While this is not a metric that NTIA is tracking, we have installed 154 miles of new conduit through September.
New network miles leased	0	N/A
Existing network miles upgraded	9	This was not a milestone in the Baseline Plan, but we have some short segments of conduit and fiber that we have taken over from the cities and upgraded with larger fiber cables and additional manholes and splice cases..
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	149	Baseline projected 187.06 miles. Our detailed fiber engineering and our construction bidding have taken longer than we estimated in our baseline plan. We were therefore behind in starting construction by about two quarters. While this is not a metric that NTIA is tracking, we have installed 154 miles of new conduit through September.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	1,071	The Baseline Plan projected 495 interconnection points. Our Baseline Plan only included the manholes on our main rings and the three nodes where we terminate fiber. There are hundreds of additional manholes and splice points in our Fiber-to-the-Premise areas, which are now included in this number. Our cotangent ring design allows providers to redundantly connect to our network core and provide services from any location where they can splice into our fiber.

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	6
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:
 There were no signed agreements with wholesale or last mile providers at the end of last quarter, but since then a service provider has signed two IRU agreements. While we have approved pricing for IRU's, short-term dark fiber leases, layer two and layer three transport services, we only have contract templates for IRU's. Our attorneys are working on the rest. Four additional service providers have expressed interest in dark fiber leases or IRUs and several may be interested in layer two or layer three transport. When contracts are ready to be signed in the next quarter, we will know more.

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:
 The UC2B Policy Committee has approved pricing and contract terms for 20-year dark fiber IRU's. The Policy Committee has also approved pricing for short-term dark fiber leases, layer two transport and layer three transport. Contract documents for those last three services are being prepared by our attorneys. The approved pricing plans for these wholesale services are attached.

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).
 The City of Champaign has been designated by the members of the UC2B Intergovernmental Consortium to be the lead agency for all of UC2B's operations. The City of Champaign is also an NTIA grant sub-recipient - managing the first phase of construction in the City of Champaign and the second phase of construction throughout the community. The City has named Teri Legner as acting Consortium Coordinator. She can be reached at Teri.Legner@ci.champaign.il.us, or by phone at (217) 403-8705. Her office is at 102 North Neil Street, Champaign, IL 61820.

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	1	Our baseline projected 1 provider with new access. UC2B itself is a new last-mile provider and it is now receiving middle-mile access for the first time.
	Providers with signed agreements receiving improved access	0	Our baseline projected 4 providers with improved access, which to our thinking in 2009 included both dark fiber and transport services. There are 3 providers - Volo Broadband, Champaign Telephone and the Illinois Century Network (ICN) - that have expressed interest in using UC2B's lit layer two and layer three services to improve their access. Our attorneys are working on those contract templates, and our construction crews are finishing up the fiber that will make that improved access possible. All of that will come together in the 4th quarter.
	Providers with signed agreements receiving access to dark fiber	0	The baseline did not include a specific projection for dark fiber customers. We have signed two separate IRU agreements with one provider - Big Broadband Services (BBS) - and four additional providers - Volo Broadband, Pavlov Media, Metro Communications and the Illinois Century Network (ICN) have expressed interest in dark fiber. Our Policy committees has voted to not sell any additional IRU's until February 1, 2013. Until then we will make dark fiber available via short-term lease. The pricing for those short-term leases has been established, but we do not yet have contract templates available, and the fiber has not been completed, tested and accepted yet. That will all happen in the next quarter. The pricing for short-term lease of dark fiber is attached.
	Please identify the speed tiers that are available and the number of subscribers for each	4	Our wholesale services are provided on the attachment titled UC2B Wholesale Services. There are four planned levels of Wholesale and Last Mile Provider connectivity. Three of those are core connection options and there is a single customer connection option. There used to be two customer connection options, but that was an artifact of our our previous plan to use both 100 Mbps and 1 Gbps CPE. Now that we are only using 1 Gbps CPE, we opted to drop the 100 Mbps offering, as it would be hard to accomplish technically, while still providing Gigabit access to our local network resources. There are no current customers of these services.
Community Anchor Institutions (including Government institutions)	Total subscribers served	4	Our baseline was 143 total CAIs served. Our detailed fiber engineering and our construction bidding have taken longer than we estimated in our baseline plan. We now have fiber at the curb of almost all of these locations and will build the fiber drop cables and install electronics in the 4th quarter.
	Subscribers receiving new access	2	Our baseline was zero, so this is an improvement from what we projected in 2010.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Subscribers receiving improved access	2	Our baseline was 143 CAls receiving improved access. Our detailed fiber engineering and our construction took longer than we estimated in our baseline plan. Our Phase One contractors are currently focusing on getting the FTTP areas turned over the the Phase Two contractors, In the 4th quarter when that is done, they will turn their attention to connecting the Anchor Institutions. Most of the laterals are built to our Anchors, we just need the drop cables for the curb installed and spliced.
	Please identify the speed tiers that are available and the number or subscribers for each	11	Two of the four connected Anchors are Unit 4 school buildings, that at this point are using the UC2B fiber to connect their facilities to each other. One of the schools is a new facility that just opened its doors this fall. The 3rd Anchor is a medical facility that is using dark UC2B fiber for improved access to its service provider. The 4th Anchor is a small African-American church that is in the heart of our FTTP service area that has never had a broadband connection before. The church is the only UC2B Last-Mile Anchor customer thus far, and they chose the 20 Mbps symmetrical Consumer service. Anchor Institutions can self select to subscribe to either our Consumer or Commercial service plans. There are three Consumer plans and eight Commercial plans that allow for additional public IP addresses and greater bandwidth than in our Consumer plans. The retail tiers are detailed on the attached Schedule of Retail Services.
Residential / Households	Entities passed	4,604	Our baseline was 4,640, which was based on the 2000 census, but in reality is a bit low in 2012. There are some 300 mobile homes that we have yet to pass, so our final number will be closer to 4,900 if we can get the easement from the owner of that mobile home park, 4,604 if we cannot.
	Total subscribers served	19	Baseline was 2,500. Our detailed fiber engineering and our construction took longer than we estimated in our baseline plan. Our Phase Two contractors were just getting started at the end of the 3rd quarter. They are now connecting 8-10 residential customers a day and we hope that they will be able to greatly increase the average. We currently have just more than 1,100 residential contracts, so it is not likely that we will reach the goal of 2,500 installed residential customers by February 1st. We are striving to get those customers who have signed up for UC2B service installed by then.
	Subscribers receiving new access	6	Our baseline was 375. Our detailed fiber engineering and our construction took longer than we estimated in our baseline plan. That 375 represented 15% of our entire projected residential customer base. Based on their self reporting, of the households that have signed up for UC2B service, closer to 50% will be receiving new access. That is a positive development, but it has implications for our support systems and the need for training for 1st-time broadband users. We now have fiber in the right-of-way in front of almost all of hour homes in the FTTP service areas and more are connected every week.
	Subscribers receiving improved access	13	Our baseline was 2,125. Our detailed fiber engineering and our construction bidding took longer than we estimated in our baseline plan. We now have fiber in the right-of-way in front of almost all of hour homes in the FTTP service areas and more are connected every week.
	Please identify the speed tiers that are available and the number of subscribers for each	11	Households can self select to subscribe to either our Consumer or Commercial service plans. There are three Consumer plans and eight Commercial plans that allow for additional public IP addresses and greater bandwidth than in our Consumer plans. The retail tiers are detailed on the attached Schedule of Retail Services. there are 18 subscribers to our 20 Mbps symmetrical service and one subscriber to our 30 Mbps symmetrical service. Across all of our ~1,200 subscribers, almost 25% have elected for a service that include more than 20 Mbps of bandwidth.
Businesses	Entities passed	211	Our baseline was 200 businesses passed with fiber, which was based on the 2000 census data. There has been some growth since then that is reflected in this higher number.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Total subscribers served	0	Our baseline was 57 total businesses served. Our detailed fiber engineering and our construction bidding took longer than we estimated in our baseline plan. We now have fiber in front of all of the businesses in our FTTP service areas. We will begin connecting businesses in the 4th quarter.
	Subscribers receiving new access	0	Our baseline was 9 businesses receiving new access. Our detailed fiber engineering and our construction bidding took longer than we estimated in our baseline plan. We now have fiber in front of all of the businesses in our FTTP service areas. We will begin connecting businesses in the 4th quarter.
	Subscribers receiving improved access	0	Our baseline was 48 businesses receiving improved access. Our detailed fiber engineering and our construction bidding took longer than we estimated in our baseline plan. We now have fiber in front of all of the businesses in our FTTP service areas. We will begin connecting businesses in the 4th quarter.
	Please identify the speed tiers that are available and the number of subscribers for each	11	Businesses can self select to subscribe to either our Consumer or Commercial service plans. There are three Consumer plans and eight Commercial plans that allow for additional public IP addresses and greater bandwidth than in our Consumer plans. The retail tiers are detailed on the attached Schedule of Retail Services. No businesses are yet connected.

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

All of our customers will have 1 Gbps symmetric Intranet connectivity to each other, and to all local Community Anchor Institutions. While Internet connectivity will be sold in tiers of bandwidth, UC2B Intranet connectivity will be limited only by the port speed of the customer's Optical Network Terminal (ONT), which will be 1 Gbps. This is very similar to the service model deployed by Lafayette, Louisiana in their Fiber-to-the-Premise system.

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
BT Washington School	Champaign	School	No	This is one of two dozen Unit 4 School sites that will be eventually connected to UC2B fiber. They will use the fiber to improve connectivity between their locations and reduce costs.
New Carrie Busey school	Savoy	School	No	This is one of two dozen Unit 4 School sites that will be eventually connected to UC2B fiber. They will use the fiber to improve connectivity between their locations and reduce costs.
Christie Clinic	Champaign	Medical	No	Their ISP has contracted for an IRU for dark fiber from UC2B and is using that fiber to improve connectivity for this medical facility.
Center of Hope Church	Champaign	Other Community Support	Yes	UC2B is this small African-American church's first Broadband connection, so they are in the early stages of exploring what broadband can do to assist in their mission.

Project Indicators (Next Quarter)

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

In the next quarter, all of our Phase One fiber construction should be complete, tested and accepted. That combined with the drop cables for the projected 600 installed Fiber-to-the-Premise (FTTP) customers will account for 196 total miles of new fiber. Our Phase One construction consisted of the seven backbone rings, the laterals to the Community Anchor Institutions (CAIs) and the fiber-to-the-curb in our 11 FTTP Census Block Groups that qualified as underserved.

All of the Anchor Institutions on our original list that desire UC2B service will be connected to the fiber in the next quarter. Adding in some "additional" CAIs that were located in the FTTP areas but not on the original list of CAIs in our grant application, we project having a total of 182 CAI's connected by January 1st.

We project that our Phase Two contractor will also complete 600 Fiber-to-the-Premise (FTTP) installations in the next quarter. Our customer support, billing and fiber maintenance systems will all go operational in the next quarter.

In addition to providing wholesale service for UC2B's retail service offering, we expect to sign or be very close to signing four or five additional contracts with broadband wholesale/last mile providers. Those organizations are: Champaign Telephone Company, Volo Broadband, Pavlov Media, Metro Communications and the Illinois Century Network (ICN), which is another BTOP project. The ICN agreement may take longer, as it requires NTIA's approval on top of all the local lawyers for both sides.

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	73	Baseline projection was 100%. All milestones that are projected to be behind are due to the unplanned-for length of time required by the Environmental Assessment, and then the delays in completing our fiber engineering and the delays in hiring our fiber construction contractors. We are now past all of those delays and middle-mile construction will be complete by the end of the 4th quarter. Last-mile construction will continue as long as weather permits. The 73% projection is based on the projection of spending 73% of our total project budget, not just our federal grant. We are currently top heavy with local matching expenditures, so just measuring the federal spend against the federal grant is not a true representation of where we will be. There will be significant federal spending in the 4th quarter of 2012 as the contractors process their invoices for work completed in the 3rd and 4th quarters.
2b.	Environmental Assessment	100	Complete
2c.	Network Design	100	Complete
2d.	Rights of Way	100	Complete
2e.	Construction Permits and Other Approvals	100	Complete
2f.	Site Preparation	100	Complete
2g.	Equipment Procurement	85	Baseline projection was 100%. All milestones that are projected to be behind are due to the unplanned-for length of time required by the Environmental Assessment, and then the delays in completing our fiber engineering and the delays in hiring our fiber construction contractors. We are now past all of those delays and construction has progressed with a great deal of urgency. The core network equipment has all been purchased. However, the equipment that resides at a customer's location and the core components that connect directly to the customers' equipment will be purchased on an as-needed basis. There is typically a one or two-year warranty on the customer equipment, which starts when it is purchased, not when it is installed. If we purchase the customer equipment too far ahead of time, we use up too much of the warranty before it is ever deployed. We expect to purchase the last of this customer-specific equipment in January of 2013.
2h.	Network Build (all components - owned, leased, IRU, etc.)	85	Baseline projection was 100%. All milestones that are projected to be behind are due to the unplanned-for length of time required by the Environmental Assessment, and then the delays in completing our fiber engineering and the delays in hiring our fiber construction contractors. We are now past all of those delays and construction has begun with a great deal of urgency. We expect to complete all of our middle-mile construction in the 4th quarter. We are concerned that we will not be able to complete all of our last-mile construction by February 1st.
2i.	Equipment Deployment	70	Baseline projection was 100%. All milestones that are projected to be behind are due to the unplanned-for length of time required by the Environmental Assessment, and then the delays in completing our fiber engineering and the delays in hiring our fiber construction contractors. We are now past all of those delays and middle mile construction will be complete by the end of the 4th

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
			quarter. All of the core network equipment will be deployed, but the customer premise equipment will be deployed one location at a time as the customers are connected.
2j.	Network Testing	100	Complete
2k.	Other (please specify):	0	N/A
<p>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).</p> <p>We believe that at the end of the 4th quarter that all of our middle-mile fiber will be installed and that all of the Anchor Institutions on our original list will be installed. However, as of the date of filing this report, we have roughly 1,000 primarily low-income households that have signed up for UC2B Internet service that have not been installed yet. UC2B fiber exists in the right-of-way in front of their homes, but the Phase Two contractor needs to extend the fiber into those homes and install the customer-premise electronics.</p> <p>If the Phase Two contractor is able to significantly increase the number of homes that are installed each day, and if the weather cooperates, there is a small chance that all of the households that have already subscribed to UC2B will be installed before February 1st. However, we are continuing to sign up customers, and there is no guarantee that we will have a mild, snow-less winter like we did last year. There is a real possibility that we will run out of time before all the households that have subscribed can be connected. There are a few businesses in the grant-funded service areas as well that are similarly affected.</p> <p>Following a UC2B Policy Committee meeting on November 14th, we plan to file an Award Action Request (AAR) with NTIA that will ask for more time to complete our project, add some Community Anchor Institutions and seek permission to provide UC2B service to the living units of the residents living in senior living centers that cater to low and middle-income seniors but that are outside of our Fiber-to-the-Premise areas. We believe that we will have sufficient budget remaining to accomplish these additions and with more time will be able to do so.</p> <p>We included these "additional" Anchor Institution sites in our last Environmental approvals, so that we will not need to wait on that before we can build fiber to them. These "additional" Anchors should have been on our original list submitted to NTIA in 2009, but for a variety of reasons were unintentionally omitted. As the UC2B Principal Investigator is primarily responsible for their omission, he would very much like to rectify this situation.</p>			

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	\$23,200	\$0	\$23,200	\$0	\$0	\$0	\$20,000	\$0	\$20,000
b. Land, structures, right-of-ways, appraisals, etc.	\$23,200	\$0	\$23,200	\$0	\$0	\$0	\$15,000	\$0	\$15,000
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$1,802,479	\$1,500,000	\$302,479	\$1,468,890	\$1,468,890	\$0	\$1,700,000	\$1,500,000	\$200,000
e. Other architectural and engineering fees	\$742,471	\$500,000	\$242,471	\$200,000	\$0	\$200,000	\$400,000	\$0	\$400,000
f. Project inspection fees	\$783,992	\$0	\$783,992	\$500,000	\$0	\$500,000	\$600,000	\$0	\$600,000
g. Site work	\$33,500	\$0	\$33,500	\$33,500	\$0	\$33,500	\$33,500	\$0	\$33,500
h. Demolition and removal	\$74,880	\$0	\$74,880	\$74,880	\$0	\$74,880	\$74,880	\$0	\$74,880
i. Construction	\$22,232,196	\$4,852,149	\$17,380,047	\$11,029,156	\$3,021,019	\$8,008,137	\$16,000,000	\$4,800,000	\$11,200,000
j. Equipment	\$3,592,892	\$0	\$3,592,892	\$2,120,761	\$0	\$2,120,761	\$2,500,000	\$0	\$2,500,000
k. Miscellaneous	\$78,115	\$0	\$78,115	\$48,886	\$0	\$48,886	\$51,500	\$0	\$51,500
l. SUBTOTAL (add a through k)	\$29,386,925	\$6,852,149	\$22,534,776	\$15,476,073	\$4,489,909	\$10,986,164	\$21,394,880	\$6,300,000	\$15,094,880
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$29,386,925	\$6,852,149	\$22,534,776	\$15,476,073	\$4,489,909	\$10,986,164	\$21,394,880	\$6,300,000	\$15,094,880

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: \$60,000
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