

RECIPIENT NAME:University of Illinois

AWARD NUMBER: NT10BIX5570044

DATE: 02/13/2013

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

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) 12-31-2012	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): 02-13-2013	

Project Indicators (This Quarter)

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

The 4th quarter of 2012 saw 790 additional UC2B fiber installations. At the end of the quarter, there were a total of 716 residential Fiber-to-the-Premise (FTTP) connections, 19 business FTTP connections and 78 Community Anchor Institutions connected to UC2B. UC2B began functioning as a service provider in the 4th quarter and also signed its first two Indefeasible Rights of Use (IRU) contracts. A third IRU contract is close to being signed as well.

The fiber to the curb infrastructure in our 11 grant-eligible Census Block Groups was almost complete by the end of the quarter as were our seven middle-mile backbone rings for serving Community Anchor Institutions.

While it was not a grant-funded activity, UC2B also issued a Request for Information (RFI) seeking private providers to expand the UC2B fiber network beyond the grant-funded areas. This RFI was done in conjunction with the Gig.U initiative and we had several interesting responses to the RFI that will be explored in February. We believe that private investment will allow our network to grow, connect additional residences and businesses and be more sustainable.

As we reached the end of the quarter, it became apparent that we would not have enough time in the final month of our grant period to connect the remaining households and business that had signed up for UC2B service, but had not yet been installed. We applied to NTIA for a no-cost time extension, which was approved in late January. We now have through 9/30/13 to complete our project.

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	64	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 has completed more than 700 sites, but still has several hundred yet to do. That portion of our project was in jeopardy of not being complete by our deadline, so we sought and received a no-cost time extension through September 30, 2013. The percentage shown reflects the actual total dollars spent to date, not our federal dollar percentage, which is 62%. Our State matching grant expired in October, so we spent our local match dollars from the State of Illinois faster than our NTIA grant dollars. We have a several month time lag from when fiber construction work is completed until NTIA pays for it, so these percentages under-represent the actual work completed.
2b.	Environmental Assessment	100	Complete
2c.	Network Design	100	Complete
2d.	Rights of Way	99	Baseline projected 100%. At the end of December we were in the final stages of securing the last needed private easement. That has now been secured. Since construction started, we discovered several additional locations where the cities thought they had an existing right-of-way, but the nearby property owners believed otherwise. Those easements are now signed. There was the one lingering easement issue with the owner of a mobile home park in our Fiber-to-the-Premise (FTTP) service area. That was the last easement we needed and it was secured in January.
2e.	Construction Permits and Other Approvals	100	Complete
2f.	Site Preparation	100	Complete

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2g.	Equipment Procurement	80	Baseline projected at 100%. We have now received 80% of our equipment, but have only ordered the final half of the customer premise equipment. We had projected a total of 2,700 customers, and we currently have just under 1,100 enrolled, so we will wait to order any additional equipment until our sales require us to do so. From here out, 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 now expect to purchase the last of the customer premise equipment in the 3rd quarter of 2013.
2h.	Network Build (all components - owned, leased, IRU, etc)	84	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 bit of the original Middle-Mile Network Build will be completed next quarter. It is at 99% today. What remains to be completed are some of the the drop cables from the curb into the homes, businesses and Anchor Institutions. With the addition in January of 61 additional Community Anchor Institutions, there will some 8 miles of additional middle-mile construction to connect them.
2i.	Equipment Deployment	65	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 4th quarter, only 776 of our Customer Premise Equipment (CPE) had been deployed. The final date for equipment deployment will be September 30, 2013.
2j.	Network Testing	30	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 the 2nd quarter of 2012. It now seems likely that the actual date will be in the 1st quarter of 2013 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 1st quarter of 2013 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 main issue was the lack of time to complete our project, which NTIA responded to by approving the no-cost time extension.

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)

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
New network miles deployed	179	Baseline projected 187.06 miles. Our detailed fiber engineering and our construction bidding took longer than we estimated in our baseline plan. We were therefore behind in starting construction by about two quarters. Our baseline plan did not adequately take into account the route miles that would be added to our project by the drop cables from the curb into our FTTP sites, so our final number of network miles of fiber will exceed our baseline plan.
New network miles leased	0	N/A
Existing network miles upgraded	9	This was not a milestone in the Baseline Plan, but we do have 8.5 miles 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)	179	Baseline projected 187.06 miles. Our detailed fiber engineering and our construction bidding took longer than we estimated in our baseline plan. We were therefore behind in starting construction by about two quarters. Our baseline plan did not adequately take into account the route miles that would be added to our project by the drop cables from the curb into our FTTP sites, so our final number of network miles will exceed our baseline plan.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	1,114	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, so we have included these additional interconnection points.

For questions 5 and 6 please include information relating to agreements that you are negotiating or have entered into, or that your sub recipient, contractor or subcontractor is negotiating or entered into.

5a. If applicable, please provide the following information with regard to agreements with broadband wholesalers and/or last mile providers as a result of your project.

Indicators	
Number of signed agreements with broadband wholesalers or last mile providers	2
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	6
Average term of signed agreements (in quarters)	80

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: We have signed two 20-year IRU agreements with one provider - Big Broadband Services, which is referred to in our application and due diligence documents as Champaign Telephone Company. It is the same principal owner, just a different legal entity. Six 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 Q1 of 2013, we will have a better feel for what these providers actually want to do.

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	1	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 1st quarter of 2013. Big Broadband Services (BBS) is the one provider with improved access.
	Providers with signed agreements receiving access to dark fiber	1	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 six additional providers - Volo Broadband, Pavlov Media, Metro Communications, the Central Illinois Regional Broadband Network (CIRBN), PEG Bandwidth 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 1st quarter of 2013. The pricing for short-term lease of dark fiber is attached with our other wholesale pricing.
	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. UC2B used to have 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 Intranet network resources. There are no current customers of these services.
Community Anchor Institutions (including Government institutions)	Total subscribers served	78	Our baseline was 143 total CAIs served. Our detailed fiber engineering and our construction bidding took much longer than we estimated in our baseline plan. We now have fiber at the curb of many of these locations and will build the fiber drop cables and install electronics in the next quarter to those that are not yet connected.
	Subscribers receiving new access	12	Our baseline was zero, so this is an improvement from what we projected in 2010. These numbers are based on the CAI's self reporting of whether they are a new or upgrading broadband subscriber.
	Subscribers receiving improved access	66	Our baseline was 143 CAIs receiving improved access. Our detailed fiber engineering and our construction took much longer than we estimated in our baseline plan. Our Phase One contractors have completed their work in the FTTP areas and are

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 or subscribers for each	11	<p>now concentrating on connecting Anchor Institutions. Most of the laterals are built to our Anchors, we just need the drop cables from the curb installed and spliced.</p> <p>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. There are 34 CAI customers of our Consumer 20 Mbps symmetrical service, 3 CAI customers of our Consumer 30 Mbps symmetrical service, and 4 CAI customers of our Consumer 40 Mbps symmetrical service. Two CAIs are subscribed to the 20 Mbps Commercial Service and one is subscribed to the 100 Mbps Commercial service. A good number (35)of our Community Anchor Institutions are not getting their internet access from UC2B, but using UC2B fiber to connect to their provider.</p>
Residential / Households	Entities passed	4,620	Our baseline was 4,640, which was based on the 2000 census, but in reality is a bit low in 2012. There are some 280 mobile homes that we have yet to pass, so our final number will be closer to 4,900 now that we have the easement from the owner of that mobile home park and additional time to pass those residences.
	Total subscribers served	716	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 have now connected 716 residential customers, and will continue through January to connect more. As of this writing, the ground is frozen solid, so we will take a brief pause from construction, but will start up again when the weather makes it possible to continue.
	Subscribers receiving new access	340	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 45% will be receiving new access. That is a positive development, but it has implications for our support systems and the need for training for first-time broadband users. We now have fiber in the right-of-way in front of almost all of our homes in the FTTP service areas and more are connected every week.
	Subscribers receiving improved access	376	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 our 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 IPv4 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 596 residential customers of our Consumer 20 Mbps symmetrical service, 70 residential customers of our Consumer 30 Mbps symmetrical service, and 50 residential customers of our Consumer 40 Mbps symmetrical service. Across all of our subscribers, 17.5% have elected a service that include more than our minimum 20 Mbps of Internet 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.
	Total subscribers served	19	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 continue connecting businesses in 2013.
	Subscribers receiving new access	11	Our baseline was 9 businesses receiving new access, so we have exceeded that projection.

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	8	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 continue connecting businesses in 2013.
	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. There are 8 business customers of our Consumer 20 Mbps symmetrical service, 6 business customers of our Consumer 30 Mbps symmetrical service, and 2 business customers of our Consumer 40 Mbps symmetrical service. As of 12/31/12 we had no commercial customers connected, but there are some that have signed up for that service and will be connected in the next quarter.

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

All of our customers have 1 Gbps symmetric Intranet connectivity to each other, and to all local Community Anchor Institutions. While Internet connectivity is sold in tiers of bandwidth, UC2B Intranet connectivity is limited only by the port speed of the customer's Optical Network Terminal (ONT), which is 1 Gbps. This is very similar to the service model deployed by the City of 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
Addendum	N/A	N/A	N/A	N/A

Project Indicators (Next Quarter)

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

The next quarter for UC2B represents the worst time of the year in Central Illinois for underground fiber-optic construction due to snow and frozen ground. As it appears that we will have a somewhat "normal" winter this year, we will pause most construction efforts in February and March, and ramp back up fiber construction in the 2nd quarter of 2013 when the weather is typically more cooperative.

We will be in our extension period, and we have 61 newly approved by NTIA additional Community Anchor Institutions to design and install fiber into. In addition we also have several hundred "original" subscribers that were not installed before the ground froze in January. As we have had issues with some of our current contractors and sub-contractors, we intend to take advantage of what we have learned thus far and rebid the remaining construction with modified specifications during this down-time.

The time needed for the rebidding process will prevent us from restarting construction immediately after the ground thaws, but we will still have plenty of time to complete the remaining work. There have been some installations completed in January, but the 1st quarter of 2013 will be more of a time to get caught up on construction documentation and plan for future construction than to build much fiber.

In the coming quarter we plan to deploy an additional 2.3 miles of fiber (primarily in fiber drop cables.) In the coming quarter we plan to connect an additional 61 Community Anchor Institutions. Many of them had fiber in place at the beginning of the quarter and only needed to be spliced and have electronics installed. In the coming quarter we plan to sign 2 broadband wholesaler/last mile provider contracts. We expect Champaign Telephone Company to sign a layer three services agreement and we expect Metro Communications

to sign a short term dark fiber lease.

There is a time lag of several months between the time that work is completed in the field, and when the request for payment is processed by NTIA. This is explained by the process that a typical payment request must go through. The contractor submits a pay request to the project's engineering firm, which checks for Davis-Bacon compliance and conformity to the contract with UC2B, and then passes the request along to the appropriate the city sub-recipient. The city verifies that all is accurate in the pay request, pays it and submits it to the University for payment. The University verifies the accuracy of the request, pays the City and then requests payment from NTIA. Each of those steps can take upwards of 20-30 days. This planned pause in the construction process will allow our federal expenditures to more closely match the actual work completed in terms of percentage of completion in our reporting for the 1st quarter of 2013.

2. Please provide the percent complete for the following key milestones in your project. Write "0" in the Planned Percent Complete column and "N/A" in the Narrative column if your project does not include this activity. If you provided additional milestones in your baseline plan, please insert them at the bottom of the table. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the next reporting quarter. Please provide a narrative description if the percent complete is different from the target provided in your baseline plan (300 words or less).

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	Overall Project	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 quarter. Last-mile construction will continue as long as weather permits. The 70% projection is based on the projection of spending 70% 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. We will get caught up with pay requests in the next quarter as the contractors process their invoices for work completed in the 3rd and 4th quarters of 2013.
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	80	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 September 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 expect to complete all of our middle-mile construction in the 1st quarter of 2013. Last mile Fiber-to-the-Premise (FTTP) construction will continue through September of 2013.
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 1st quarter of 2013. All of the core network equipment is deployed, but the customer premise equipment will be deployed one location at a time as the customers are connected through 9/30/13.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2j.	Network Testing	100	Complete
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).
None

Empty text area for providing detailed responses to question 3.

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	\$20,000	\$0	\$20,000	\$53,000	\$0	\$53,000
b. Land, structures, right-of-ways, appraisals, etc.	\$23,200	\$0	\$23,200	\$20,000	\$0	\$20,000	\$23,200	\$0	\$23,200
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	\$1,668,890	\$1,500,000	\$168,890	\$1,700,000	\$1,500,000	\$200,000
e. Other architectural and engineering fees	\$742,471	\$500,000	\$242,471	\$300,000	\$57,529	\$242,471	\$400,000	\$157,529	\$242,471
f. Project inspection fees	\$783,992	\$0	\$783,992	\$550,000	\$0	\$550,000	\$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	\$13,489,164	\$3,186,065	\$10,303,099	\$15,000,000	\$3,200,000	\$11,800,000
j. Equipment	\$3,592,892	\$0	\$3,592,892	\$2,500,000	\$0	\$2,500,000	\$2,500,000	\$0	\$2,500,000
k. Miscellaneous	\$78,115	\$0	\$78,115	\$60,000	\$0	\$60,000	\$70,000	\$0	\$70,000
l. SUBTOTAL (add a through k)	\$29,386,925	\$6,852,149	\$22,534,776	\$18,716,434	\$4,743,594	\$13,972,840	\$20,454,580	\$4,857,529	\$15,597,051
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	\$18,716,434	\$4,743,594	\$13,972,840	\$20,454,580	\$4,857,529	\$15,597,051

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: \$717,187
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