

RECIPIENT NAME:Charlotte, City of
AWARD NUMBER: NT10BIX5570088
DATE: 04/27/2012

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 NT10BIX5570088	3. DUNS Number 071064166
4. Recipient Organization Charlotte, City of 600 East Fourth Street , Charlotte, NC 28202-2816		
5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2012	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No	
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 Rob Nix	7c. Telephone (area code, number and extension) 7043362917	
	7d. Email Address rpnix@ci.charlotte.nc.us	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 04-27-2012	

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 Project Accomplishments in the first quarter of 2012 for Charlotte and their deployment vendor Alcatel-Lucent include the following:

- Microwave Path Studies and Microwave Design completed
- Radio Frequency (RF) Design is nearly completed
- Low level Inter-networking and System Network Design is completed
- Microwave Equipment, RF Equipment and Radio Access Network (RAN) equipment was Ordered/Manufactured for Phase 1 (8 Center City Sites)
- Successfully completed a Customer Witness Test of Phase 1 staging of Microwave Equipment
- Began Shipping Phase 1 Equipment to Charlotte
- Completed the following Site Preparation Activities for most all sites: site walks, tower application. tower leasing agreements, physical design specifications, structural mapping and analysis
- Began Test Team Meetings for Designing Testing Processes and Optimization Plans
- Reviewed Proposals for LTE Devices and a Device Procurement Contract is nearly complete
- Inter-Operability Showing has been completed and is in Pre-Approval State
- Completed 70% of Microwave Licensing

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	20	Not 59%. Making much progress but due to re-budgeting and payment milestone plans we are not yet at original baseline projections.
2b.	Environmental Assessment	95	Not 100%. Changes to 4 Site Locations were recently made to finalize the Design. Plan to complete next quarter.
2c.	Network Design	100	No Variance
2d.	Rights of Way	32	Began signing tower leases and reviewing Tower mappings
2e.	Construction Permits and Other Approvals	4	Not 100%. Began submitting permits in April and Reviewing Towers needing Structural Modifications
2f.	Site Preparation	0	No Variance.
2g.	Equipment Procurement	13	Not 100%. Due to new budget and project approach. Phase 1 procurement will show next qtr.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	No Variance
2i.	Equipment Deployment	0	No Variance
2j.	Network Testing	0	No Variance
2k.	Other (please specify): a.Admin & Legal	78	Not 58%. More staff and time needed than realized with multi RFPs and Design

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).
 While Charlotte completed the following original baseline milestones, Finalize a Low-Level Network Design, Begin Equipment Manufacturing, and Begin Shipping Equipment, According to the original baseline milestones for this given period, Charlotte was not able to begin the Site Permitting and begin any Installation of Microwave Equipment. However Site permitting submissions will begin the first of April 2012.

4. Please report the following information regarding network build progress. Write "0" in the Total column and "N/A" in the Narrative column if your project does not include this activity. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (600 words or less).

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
New network miles deployed	0	No Variance
New network miles leased	0	N/A
Existing network miles upgraded	0	N/A
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	0	N/A
Number of new wireless links	0	No Variance
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	No Variance

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	0
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: N/A

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:

N/A

5d. If you have designated a third party to operate all or a portion of your network, please provide the name and contact information for this third party, indicate if this entity is a sub recipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this this third party operates (600 words or less).

N/A

6. Please provide the data according to the type of subscriber. Write "0" in the Total column and "N/A" in the Narrative column if your project does not pass or serve a particular subscriber type. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (300 words or less).

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Broadband Wholesalers or Last Mile Providers	Providers with signed agreements receiving new access	0	N/A
	Providers with signed agreements receiving improved access	0	N/A
	Providers with signed agreements receiving access to dark fiber	0	N/A

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	No Variance
	Subscribers receiving new access	0	No Variance
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	Network not operational at this time.
Residential / Households	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Businesses	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A

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

8a. Have your network management practices changed over the last quarter? Yes No

8b. If so, please describe the changes (300 words or less).
N/A

9. Community Anchor Institutions:
Using the table below, please provide a list by service area of the community anchor institutions (including Government institutions) connected to your network as a result of BTOP funds. Figures should be reported for the most recent reporting quarter only (NOT cumulatively). Also indicate whether your organization is currently providing broadband service to the anchor institution. Finally, provide a short narrative description with examples of how institutions are using BTOP-funded infrastructure (300 words or less).

Institution Name	Service Area (town or county)	Type of Anchor Institution (as defined in your baseline)	Are you also the broadband service provider for this institution? (Yes / No)	Narrative description of how anchor institutions are using BTOP-funded infrastructure

Institution Name	Service Area (town or county)	Type of Anchor Institution (as defined in your baseline)	Are you also the broadband service provider for this institution? (Yes / No)	Narrative description of how anchor institutions are using BTOP-funded infrastructure
N/A	N/A	N/A	N/A	N/A

Project Indicators (Next Quarter)

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

Charlotte was verbally informed by NTIA to anticipate changes coming in the BTOP grant management as it relates to types of authorized expenditures. However, until such information is received formally, Charlotte's will continue to comply with its approved Implementation plan. Anticipated accomplishments for Q2 2012 include:

- Continue to progress towards network installation, integration and deployment with June 30 as target date for going to production with phase 1.
- Charlotte Data Center Installation will begin April 9
- The completion of all site acquisitions and site preparation activities including permitting and getting all sites finalized, structural related items identified and plans to address in place by June 1.
- Continuation of Equipment delivery to the Charlotte warehouse and facilitate inventory by City of Charlotte resources, prior to installation in the field, with ALU supporting the effort.
- Begin Installation of M/W backhaul, Antennas and ground LTE based equipment by early May.
- In-market testing, RF and Acceptance Testing, will start at the beginning of June. RF testing will be executed using ALU provided devices.
- Test Teams will complete development of test plans to be executed in the RAN, Hosted Core, and in a full end-to-end capacity.
- Dependant on device availability:
 - o Device Management related development and Device Provisioning Process Design - motive work o will continue
 - o Vendor Selections Finalized and Device Procurement for Phase 1
 - o Alcatel-Lucent will perform interoperability testing with City selected user devices.
 - o Device testing in mid May timeframe in Naperville via on the air eNB's
- Phase 2 equipment builds and procurement initiated in late June in preparation for phase 2 installation activities once phase 1 has completed.
- Acceptance Test execution will require City provided devices and will occur throughout the month of June in parallel to RF testing.

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	28	Not 60%. Expect to be back on course in 2012 Q3.
2b.	Environmental Assessment	100	No Variance
2c.	Network Design	100	No Variance
2d.	Rights of Way	38	Not 43%. Expect to be back on course in 2012 Q3.
2e.	Construction Permits and Other Approvals	22	Not 100%. Permitting may be extended thru July 2012.
2f.	Site Preparation	0	No Variance
2g.	Equipment Procurement	15	Not 100%. Phase 2 Equipment will be delayed beyond this quarter.
2h.	Network Build (all components - owned, leased, IRU, etc.)	0	No Variance
2i.	Equipment Deployment	0	No Variance
2j.	Network Testing	0	No Variance
2k.	Other (please specify): a.Admin & Legal	91	Not 60%. More staff and time needed than realized.

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).

The possible suspension by NTIA of the authority to purchase LTE specific equipment.
The availability of DEVICES and UICC's for interoperability testing will be paramount.
Device Management development and various aspects of test planning and subsequent test execution.
Failure of the FCC to approve the City's Interoperability Showing.

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	\$1,284,094	\$469,600	\$814,494	\$643,476	\$367,801	\$275,674	\$834,688	\$429,801	\$404,887
b. Land, structures, right-of-ways, appraisals, etc.	\$2,123,797	\$520,159	\$1,603,638	\$697,590	\$318,953	\$378,637	\$806,090	\$318,953	\$487,137
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$859,911	\$0	\$859,911	\$417,603	\$0	\$417,603	\$417,603	\$0	\$417,603
e. Other architectural and engineering fees	\$920,857	\$0	\$920,857	\$828,114	\$0	\$828,114	\$874,485	\$0	\$874,485
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$5,990,044	\$0	\$5,990,044	\$236,638	\$0	\$236,638	\$1,561,638	\$0	\$1,561,638
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$9,576,630	\$3,400,195	\$6,176,435	\$1,271,095	\$0	\$1,271,095	\$1,382,495	\$0	\$1,382,495
k. Miscellaneous	\$337,110	\$0	\$337,110	\$0	\$0	\$0	\$122,582	\$0	\$122,582
l. SUBTOTAL (add a through k)	\$21,092,443	\$4,389,954	\$16,702,489	\$4,094,516	\$686,754	\$3,407,761	\$5,999,581	\$748,754	\$5,250,827
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$21,092,443	\$4,389,954	\$16,702,489	\$4,094,516	\$686,754	\$3,407,761	\$5,999,581	\$748,754	\$5,250,827

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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