

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 NT10BIX5570144	3. DUNS Number 001745512
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4. Recipient Organization Northern Illinois University, Inc. Lowden Hall, Ste 201, Dekalb, IL 60115-3080
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5. Current Reporting Period End Date (MM/DD/YYYY) 06-30-2011	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No
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7. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.

7a. Typed or Printed Name and Title of Certifying Official Lisa Bergeron	7c. Telephone (area code, number and extension)
	7d. Email Address lbergeron@niu.edu

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 08-17-2011
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Project Indicators (This Quarter)

- 1. Please describe significant project accomplishments completed during this quarter (600 words or less).**
- Received NTIA approval on 5/9/2011 and the projects qualified Finding of No Significant Impact (FONSI) signed by Wayne Ritchie, the Chief Administrative Officer, Office of Telecommunications and Applications.
 - Secured the services of Baxter & Woodman to begin the permitting process in advance of contractor selection.
 - Initiated the permitting process with IDOT, various railroads, municipalities, and counties.
 - Initiated permitting with IDOT, railroads, and multiple counties, municipalities, and other permitting agencies.
 - Selected and executed an agreement with a construction contractor for four of the nine counties in the project region. We anticipate finalizing the second contractor for the remaining five counties by mid July 2011.
 - Initiated discussions with 6 ISP providers and partners.
 - Developed a wireless RFQ for release in July 2011.
 - Conducted over 25 Outreach Meetings with County/Municipalities across all 9 Counties to build awareness, address questions/ concerns, and confirm interest
 - Finalized CAI pricing strategy for iFiber Transport services
 - Approved CAI Service Agreement for CAI review and signatures

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	6	<p>There were more activities than federal dollars drawn during the report period. Variance -16.9% is due to the delay in receiving FONSI and Shortened First Quarter issue noted in 5. below. According to full project quarters, there is less variance from the baseline plan for the project at nine months and two weeks from initiation. We anticipate recovering progress within the next three quarters.</p> <p>Construction will begin in mid July with the first contractor. The second contractor will begin construction in mid August. Two contractors on the project will facilitate progress in the next quarter.</p>
2b.	Environmental Assessment	100	no variance
2c.	Network Design	15	<p>There were more activities than federal dollars spent during the report period. Variance of -8.8% is due in part to the delayed FONSI and Shortened First Quarter issue noted in 5. below. According to full project quarters, there is positive variance from the baseline plan for the project at nine months and two weeks from initiation. We anticipate recovering progress lost within the next three quarters.</p> <p>The network design is in progress. We are currently meeting with CAIs to finalize organizations and routes. We have hired two employees to expedite this process in addition to sub recipients.</p>
2d.	Rights of Way	0	<p>There were more activities than federal dollars spent during the report period. Variance of -42.8% is due in part to the delayed FONSI and Shortened First Quarter issue noted in 5. below. We anticipate recovering progress lost within the next three quarters.</p> <p>Permitting and rights of way acquisition began in mid May. Numerous permits had been received as of 6/30 but no expenditures had been processed.</p>
2e.	Construction Permits and Other Approvals	7	<p>There were more activities than federal dollars spent during the report period. Variance of -35.4% is due in part to the delayed FONSI and Shortened First Quarter issue noted in 5. below. We anticipate recovering progress lost within the next three quarters.</p>

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			Permitting and rights of way acquisition began in mid May. Numerous permits had been received as of 6/30 but no expenditures had been processed.
2f.	Site Preparation	0	no variance
2g.	Equipment Procurement	0	<p>Variance of -15.4% is due in part to the delayed FONSI and Shortened First Quarter issue noted in 5. below. We anticipate recovering progress lost within the next two quarters.</p> <p>The Equipment RFP will be released in the next quarter.</p>
2h.	Network Build (all components - owned, leased, IRU, etc)	6	<p>There were more activities than federal dollars drawn during the report period. Variance -4.3% is due in part to the delay in receiving FONSI and Shortened First Quarter issue noted in 5. below. According to full project quarters, there is positive variance from the baseline plan for the project at nine months and two weeks from initiation. We anticipate recovering progress within the next three quarters.</p> <p>Contracts were executed with 2 contractor during the quarter which will facilitate rapid deployment and network build going forward.</p>
2i.	Equipment Deployment	0	<p>Variance of -11.7% is due in part to the delayed FONSI and Shortened First Quarter issue noted in 5. below. We anticipate recovering progress lost within the next two quarters.</p> <p>The Equipment RFP will be released in the next quarter.</p>
2j.	Network Testing	0	<p>Variance of -11.7% is due in part to the delayed FONSI and Shortened First Quarter issue noted in 5. below. We anticipate recovering progress lost within the next two quarters.</p>
2k.	Other (please specify): n/a	0	not applicable

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).

- 1) Incumbent providers have increased target marketing aggressiveness to sign up BTOP project CAIs in advance of our efforts. This has resulted in CAIs signing long term contracts with other providers in the past few months. This recent activity from incumbent providers may inhibit our ability to sign up anchor institutions. We have initiated extensive outreach campaigns to provide an update on the project and anticipated build plans.
- 2) A portion of the project region may require greater than anticipated depths for duct and fiber installation. Our team and engineering firm are working with the affected county to resolve the issue.
- 3) The project's environmental assessment was submitted to NTIA on 2/7/2011. The FONSI was received on 5/8/2011. This three month period delayed construction start and will have an impact on progress in the next few quarters. Despite the delay in clearance to begin construction, we anticipate overcoming progress lost within the next three quarters and reaching the overall project target during the grant period.
- 4) Because the progress reported in this report is based on federal draw down of funds, there will be more activities than federal dollars spent during the report period. The overall project will be at 67% complete in Q8 6/30/2012. We are working with sub recipients and contractors to ensure timely receipt of invoices for expenditures on the project.
- 5) [Shortened First Quarter] The first official project quarter ended 9/30/2010, two weeks after notice of award on 9/14/2010. Therefore progress does not align with original baseline data which was based on full project quarters. According to full project quarters, there is no variance from the baseline plan for the project at six months and two weeks from initiation. We anticipate recovering progress lost due to the shortened first quarter within the next two quarters. Despite the short initial period, we anticipate reaching the overall project target during the grant period.

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	<p>Variance of 144 miles is due in part to the delayed FONSI and Shortened First Quarter issue noted in 5. below. According to full project quarters, there is less variance from the baseline plan for the project at nine months and two weeks from initiation. We anticipate recovering progress lost within the next three quarters.</p> <p>Construction will begin in mid July with the first contractor and the second contractor will begin in mid August. Contracts were executed with 2 contractor during the quarter which will facilitate rapid deployment and network build going forward.</p>
New network miles leased	0	<p>Variance of 234 miles is due in part to the Shortened First Quarter issue noted in 5. below. According to full project quarters, there is no variance from the baseline plan for the project at nine months and two weeks from initiation. We anticipate recovering progress lost within the next three quarters.</p> <p>Lease negotiations are in progress. We expect to have some portions of the leased miles executed during the next quarter.</p>
Existing network miles upgraded	0	no variance
Existing network miles leased	0	no variance
Number of miles of new fiber (aerial or underground)	0	<p>Variance of 371 miles is due in part to the delayed FONSI and Shortened First Quarter issue noted above. According to full project quarters, there is less variance from the baseline plan for the project at nine months and two weeks from initiation. We anticipate recovering progress lost within the next three quarters.</p> <p>Construction will begin in mid July with the first contractor and the second contractor will begin in mid August. Contracts were executed with 2 contractor during the quarter which will facilitate rapid deployment and network build going forward.</p>
Number of new wireless links	0	<p>Variance of 2 wireless links is due in part to the Shortened First Quarter issue noted in 5. below. According to full project quarters, there is no variance from the baseline plan for the project at nine months and two weeks from initiation. We anticipate recovering progress lost within the next three quarters.</p> <p>A RFQ for wireless construction and installation will be released in Aug. We anticipate having a contractor for wireless secured by the end of the next quarter.</p>
Number of new towers	0	no variance
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	

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	4
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:
 Agreements are in progress, no signed agreements at this time.

5c. What wholesale services are being provided by this project? Please describe below. As an attachment to this report, please provide pricing plans (in \$ per month) associated with each wholesale service provided by your product (100 words or less). Wholesale services description:
 Wholesale services are being developed.

5d. If you have designated a third party to operate all or a portion of your network, please provide the name and contact information for this third party, indicate if this entity is a sub recipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this third party operates (600 words or less).
 Illinois Fiber Resources Group NFP (iFiber) - sub recipient will operate the entire network.
 Contact: John Lewis, Chairman (815) 753-0936 jlewis@niu.edu

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	no variance
	Providers with signed agreements receiving improved access	0	Variance of 6 agreements is due in part to the Shortened First Quarter issue noted in 5. below. According to full project quarters, there is less variance from the baseline plan for the project at nine months and two weeks from initiation. We anticipate recovering progress lost within the next three quarters. Negotiations are in progress with 6-8 providers which should result in wholesale agreements during the next quarter.
	Providers with signed agreements receiving access to dark fiber	0	Variance of 6 agreements is due in part to the Shortened First Quarter issue noted in 5. below. According to full project quarters, there is less variance from the baseline plan for the project at nine months and two weeks from initiation. We anticipate recovering progress lost within the next three quarters. Negotiations are in progress with 6-8 providers which should result in wholesale agreements during the next quarter.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Tiers will be available during the next quarter once agreements are negotiated.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Variance of 30 subscribers is due in part to the delayed FONSI and Shortened First Quarter issue noted above. According to full project quarters, there is less variance from the baseline plan for the project at nine months and two weeks from initiation. We anticipate recovering progress lost within the next three quarters. Construction began in mid July and the second contractor will begin in mid August. Contracts were executed with 2 contractor during the quarter which will facilitate rapid deployment and network build going forward.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Subscribers receiving new access	0	Variance of 1 subscriber is due in part to the delayed FONSI and Shortened First Quarter issue noted above. According to full project quarters, there is no variance from the baseline plan for the project at nine months and two weeks from initiation. We anticipate recovering progress lost within the next three quarters. Construction began in mid July and the second contractor will begin in mid August. Contracts were executed with 2 contractor during the quarter which will facilitate rapid deployment and network build going forward.
	Subscribers receiving improved access	0	Variance of 30 subscribers is due in part to the delayed FONSI and Shortened First Quarter issue noted above. According to full project quarters, there is less variance from the baseline plan for the project at nine months and two weeks from initiation. We anticipate recovering progress lost within the next three quarters. Construction began in mid July and the second contractor will begin in mid August. Contracts were executed with 2 contractor during the quarter which will facilitate rapid deployment and network build going forward.
	Please identify the speed tiers that are available and the number or subscribers for each	0	1 Gbps for 461 CAIs and 100 Mbps for 72 CAIs
Residential / Households	Entities passed	0	not applicable
	Total subscribers served	0	not applicable
	Subscribers receiving new access	0	not applicable
	Subscribers receiving improved access	0	not applicable
	Please identify the speed tiers that are available and the number of subscribers for each	0	not applicable
Businesses	Entities passed	0	not applicable
	Total subscribers served	0	not applicable
	Subscribers receiving new access	0	not applicable
	Subscribers receiving improved access	0	not applicable
	Please identify the speed tiers that are available and the number of subscribers for each	0	not applicable

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

not applicable

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

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

not applicable

9. Community Anchor Institutions:

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

Institution Name	Service	Type of Anchor	Are you also the	Narrative description of how anchor institutions are using BTOP-
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	Area (town or county)	Institution (as defined in your baseline)	broadband service provider for this institution? (Yes / No)	funded infrastructure
none	n/a	n/a	n/a	not applicable

Project Indicators (Next Quarter)

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

- PirTano Construction will break ground in Lee County Illinois during the week of July 18, 2011.
- We anticipate finalizing a construction contract with the second contractor in mid July 2011 with construction in their region to begin in early August. This contractor has partnered with another finalist in the RFP process which will provide additional crews in the field.
- We anticipate executing dozens of CAI agreements during the next quarter in conjunction with construction plans. Letters of Intent are being received in advance of the agreements to facilitate planning, design and execution.
- Permitting will continue and will get ahead of construction over the next three months ensuring continuous flow of progress. Permits for major routes including IDOT and many county routes will be completed.
- We are in negotiations with several ISP providers and anticipate executing agreements with those providers in the next quarter.
- We anticipate signing IRUs with organization for dark fiber back haul.
- RFQs and RFPs will be released during the next quarter for wireless installation and equipment.
- Engineering and design for CAI building entrances will begin in July.

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	27	Variance 3% - Construction will begin in mid July with the first contractor. The second contractor will begin construction in mid August. Two contractors on the project will facilitate progress in the next quarter. Permitting and rights of way will be in full gear and should progress in advance of construction.
2b.	Environmental Assessment	100	no variance
2c.	Network Design	31	Variance -11% There will be more activities than federal dollars spent during the report period. Variance is due in part to the delayed FONSI and Shortened First Quarter issue noted above. According to full project quarters, there will be positive variance from the baseline plan for the project at twelve months and two weeks from initiation. The core network design will be 65% completed during this quarter. Additionally we anticipate having a majority of CAIs with commitments to the project and will be in the process of finalizing last mile routes and engineering.
2d.	Rights of Way	10	Variance -43% There will be more activities than federal dollars spent during the report period. Variance is due in part to the delayed FONSI and Shortened First Quarter issue noted above. According to full project quarters, there will be little variance from the baseline plan for the project at twelve months and two weeks from initiation. Permitting and rights of way will continue through the quarter to get ahead of construction by 3 - 6 months. We anticipate submitting all applications for rights of way during this quarter.
2e.	Construction Permits and Other Approvals	10	Variance -43% There will be more activities than federal dollars spent during the report period. Variance is due in part to the delayed FONSI and Shortened First Quarter issue noted above. According to full project quarters, there will be little variance from the baseline plan for the project at twelve months and two weeks from initiation. Permitting and rights of way will continue through the quarter to get ahead of construction by 3 - 6 months. We anticipate having permits for all submitted applications during this quarter.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2f.	Site Preparation	0	<p>Variance -17% There will be more activities than federal dollars spent during the report period. Variance is due in part to the delayed FONSI and Shortened First Quarter issue noted above. According to full project quarters, there will be positive variance from the baseline plan for the project at twelve months and two weeks from initiation.</p> <p>Construction will begin during the quarter which may not generate site preparation expenditures until the following quarter.</p>
2g.	Equipment Procurement	16	<p>Variance -17% There will be more activities than federal dollars spent during the report period. Variance is due in part to the delayed FONSI and Shortened First Quarter issue noted above.</p> <p>The wireless installation and equipment RFP will be released during this quarter. We anticipate the start of equipment procurement however, activities will outpace expenditures during the quarter.</p>
2h.	Network Build (all components - owned, leased, IRU, etc.)	21	no variance
2i.	Equipment Deployment	10	<p>Variance -15% There will be more activities than federal dollars spent during the report period. Variance is due in part to the delayed FONSI and Shortened First Quarter issue noted above. According to full project quarters, there will be positive variance from the baseline plan for the project at twelve months and two weeks from initiation.</p> <p>Construction will begin during the quarter. We anticipate the start of equipment deployment however, activities will outpace expenditures during the quarter.</p>
2j.	Network Testing	10	<p>Variance -15% There will be more activities than federal dollars spent during the report period. Variance is due in part to the delayed FONSI and Shortened First Quarter issue noted above. According to full project quarters, there will be positive variance from the baseline plan for the project at twelve months and two weeks from initiation.</p> <p>Construction will begin during the quarter. We anticipate the start of network testing however, activities will outpace expenditures during the quarter.</p>
2k.	Other (please specify): n/a	0	not applicable

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).

We anticipate challenges with permitting and acquisition of rights of way which could delay construction progress in certain areas. We are working on those areas that can be addressed and/or initiated in advance.

Weather related issues could cause delays in construction.

CAI approval process of the service agreements could cause delays in completing building entrances and lighting of anchor institutions. In the interim, we are collecting Letters of Intent from CAIs.

Meeting match estimates from proposal could be challenging given NTIAs redefinition of eligible match. We are waiting for clarification from NTIA on the eligibility and proper valuation of certain items of match that are currently listed in our budget. The impact of this ruling may reduce our match by \$3-\$4 million.

There will be more activities than federal dollars drawn down during the report period due to the lag in expenditures and payments. The overall project will be at 67% complete in Q8 6/30/2012.

Match proportionality - With clarification on our 20% state matching funds, NIU will proportionally draw those funds during the next quarter. A portion of the additional match is under review pending NTIAs ruling on match valuation. Additionally, NTIAs decision requiring that certain match partners be specified as sub recipients has resulted in loss of at least one match contributor and may impact others. NIU will not be able to reach true match proportionality until valuation rules are clarified. Further, we may not be able to recoup the the loss of some match contributors due to post award rulings. However, we will reach proportionality with the state 20% matching funds by September 30. Overall we will be mostly back into proportionality by September 30 and will file a waiver request for any difference.

Infrastructure Budget Execution Details

Activity Based Expenditures (Infrastructure)

1. Please provide details below on your total budget, cumulative actual expenditures (for the period ending the current quarter), and cumulative anticipated expenditures (for the period ending next quarter) for each line item, including detailed disbursements of both matching funds and federal funds from project inception through end of this quarter (actual) or next quarter (anticipated). Actual and anticipated figures should be reported cumulatively from award inception to the end of the applicable reporting quarter.

Budget for Entire Project				Actuals from Project Inception through End of Current Reporting Period			Anticipated Actuals from Project Inception through End of Next Reporting Period		
Cost Classification	Total Cost (plan)	Matching Funds (plan)	Federal Funds (plan)	Total Cost	Matching Funds	Federal Funds	Total Costs	Matching Funds	Federal Funds
a. Administrative and legal expenses	\$3,711,487	\$1,213,656	\$2,497,831	\$738,242	\$30,000	\$708,242	\$1,138,243	\$227,649	\$910,594
b. Land, structures, right-of-ways, appraisals, etc.	\$4,647,688	\$1,519,794	\$3,127,894	\$0	\$0	\$0	\$41,575	\$8,315	\$33,260
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$1,223,700	\$400,150	\$823,550	\$286,519	\$51,556	\$234,963	\$553,823	\$110,765	\$443,058
e. Other architectural and engineering fees	\$841,250	\$275,089	\$566,161	\$25,000	\$0	\$25,000	\$81,249	\$16,250	\$64,999
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$48,327,740	\$15,810,021	\$32,517,719	\$3,204,584	\$0	\$3,204,584	\$14,945,666	\$2,989,132	\$11,956,534
j. Equipment	\$9,778,411	\$3,197,540	\$6,580,871	\$0	\$0	\$0	\$1,548,533	\$309,707	\$1,238,826
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$68,530,276	\$22,416,250	\$46,114,026	\$4,254,345	\$81,556	\$4,172,789	\$18,309,089	\$3,661,818	\$14,647,271
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$68,530,276	\$22,416,250	\$46,114,026	\$4,254,345	\$81,556	\$4,172,789	\$18,309,089	\$3,661,818	\$14,647,271

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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