

**QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS**

General Information		
<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b>  Department of Commerce, National Telecommunications and Information Administration	<b>2. Award Identification Number</b>  NT10BIX5570070	<b>3. DUNS Number</b>  147368641
<b>4. Recipient Organization</b>  Massachusetts Technology Park 75 North Drive , Westborough, MA 01581-3335		
<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  12-31-2010	<b>6. Is this the last Report of the Award Period?</b>  <div style="text-align: center;"> <input type="radio"/> Yes    <input checked="" type="radio"/> No                     </div>	
<b>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.</b>		
<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Lisa Erlandson	<b>7c. Telephone (area code, number and extension)</b>  X	<b>7d. Email Address</b>  erlandson@masstech.org
<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  02-08-2011	

**Project Indicators (This Quarter)**

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

MassBroadband 123 accomplishments for the quarter ending December 31, 2010 include:

Administrative:

- Submitted draft Environmental Assessment (“EA”) to NTIA ahead of due date and conducted consultations;
- Submitted and received NTIA approval for Baseline Plan;
- Submitted and received NTIA approval for Six Month Pre-EA Budget;
- Attended BTOP Conference for Round Two recipients;
- Completed Project Manual;

Procurements:

- Completed procurement for and hired Route Validation Firm;
- Completed procurement for and hired Field Data Collection Firm;
- Completed procurement for and hired Owner’s Project Manager;
- Completed procurement for and hired Preliminary Engineering and Design firms;
- Continued RFP process for the Network Operator including developing draft agreement and requesting supplemental information from finalists;
- Issued environmental permitting services RFP;
- Received approval from State Inspector General for Design-Build method for constructing the network;
- Issued public notice for Letter of Interest for Design-Build Procurement;
- Commenced drafting Design-Build technical and functional specifications
- Commenced drafting Design-Build RFQ and technical and functional requirements for RFP
- Collaborated with the Information Technology Division of the Commonwealth to draft an Optical Networking Equipment and Standards RFI;

Agreements:

- Executed MOUs with Verizon and Western Massachusetts Electric Company for expedited pole survey and application process;
- Negotiated MOU with National Grid for expedited pole survey and application process;
- Continued negotiations on Pole Attachment Agreements with Verizon, Western Massachusetts Electric and National Grid ;
- Continued negotiations for IRU of conduit in Springfield MA to enable connection of fiber along I-91 with PoP at One Federal Street in Springfield;

Design and Engineering:

- Completed Route/CAI field validation;
- Commenced pole surveying in six towns;
- Continue field work to survey railroad and bridge crossings and finalize route details for permitting and pole and conduit applications

Community Outreach:

- Continued outreach with project stakeholders and community representatives from 123 communities

**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	3	Overall Project is on target compared against our baseline.
2b.	Environmental Assessment	100	While our final has not been submitted, expenditures are 11% ahead of the baseline projections. MassBroadband 123 handed in draft EA and conducted consultations ahead of schedule. We have also had additional SHPO work and route modifications to avoid environmental impacts.
2c.	Network Design	20	Network Design is on target compared against our baseline.
2d.	Rights of Way	8	Rights of Way is 4% behind baseline projections. MassBroadband 123 hired a Field Data Collection firm to survey poles. While surveying work has begun, it has been a bit slower than expected due to inclement weather.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2e.	Construction Permits and Other Approvals	0	N/A
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	0	N/A
2h.	Network Build (all components - owned, leased, IRU, etc)	0	N/A
2i.	Equipment Deployment	0	N/A
2j.	Network Testing	0	N/A
2k.	Other (please specify):	58	Other is 6% behind baseline projections. Federal Compliance Manager position ramped up during this period more slowly than expected and costs charged to the project were lower than expected.

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).

To date, the most challenging aspect of the MassBroadband 123 project has been the numerous and complicated negotiations with many different right of way owners, including multiple utility pole and conduit owners in the project footprint. The pace of completing and executing all the concomitant agreements has been slower than expected.

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	N/A
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	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	N/A

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: None at this time.

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

No services are being offered at this time.

**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).**

MTC has commenced negotiations with the top finalist to a competitive Network Operator RFP that we issued in June 2010. We plan to complete negotiations and hire the Network Operator in the upcoming quarter. The Network Operator will assist with equipment specifications and network and fiber design during the construction period and will run the entire MassBroadband 123 network when it is completed.

**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
	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	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 or subscribers for each	0	N/A
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

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
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).**

MTC plans on offering a 15% discount for wholesale offerings to our state partners, Information Technology Division and Executive Office of Public Safety and Security. Our state partners contributed matching funds to the MassBroadband 123 grant application and they have committed to being an anchor tenant on the new network.

**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
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).**

In the upcoming quarter MTC plans to:

Administrative:

- Hand in our completed environmental assessment to NTIA, with consultations completed;

Procurements:

- Complete negotiations with and hiring of the Network Operator;
- Hire an Environmental Services firm;
- Issue the design-build RFQ and RFP;
- Issue an RFP for a contractor to do National Grid's make-ready work;

Agreements:

- Execute pole attachment and conduit agreements with Verizon, Western Massachusetts Electric and National Grid;
- Continue negotiations with municipal electric companies for pole attachment agreements;

- Commence negotiations with towns for placement of interconnection node equipment; Execute agreement for conduit in Springfield;
- Enter into a contract for meet-me space at PoP in Springfield.

Design and Engineering:

- Commence environmental permitting;
- Continue surveying poles and submitting license applications to pole and conduit owners;
- Continue conducting field work to determine bridge and railroad crossing and refine the route, laterals, and entrances to the CAIs and determine permitting

Construction:

Commence make-ready work on existing conduit and utility poles

Outreach:

- Continue outreach program to 123 communities and last-mile providers;

**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	12	Planned expenditures for Overall Project for the upcoming quarter are on target with baseline projections.
2b.	Environmental Assessment	100	Planned expenditures for Environmental Assessment for the upcoming quarter are on target with baseline projections.
2c.	Network Design	30	Planned expenditures for Network Design for the upcoming quarter are expected to be on target with baseline projections.
2d.	Rights of Way	23	Planned expenditures for Rights of Way for the upcoming quarter are expected to be 4% below baseline projections due to the many complicated pole attachment and conduit agreement negotiations we are involved in and the impact of weather on pole surveying.
2e.	Construction Permits and Other Approvals	1	Construction Permits for the upcoming quarter are on target with the baseline projections.
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	0	N/A
2h.	Network Build (all components - owned, leased, IRU, etc.)	14	Planned expenditures for Network Build for the upcoming quarter are on target with baseline projections.
2i.	Equipment Deployment	0	N/A
2j.	Network Testing	0	N/A
2k.	Other (please specify):	63	Planned expenditures for Other for the upcoming quarter are expected to be 5% behind baseline projections due to prior ramp up time of the Federal Compliance Manager position through Q2.

**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).**

To date, the most challenging aspect of the MassBroadband 123 project has been the numerous and complicated negotiations with many different right of way owners, including multiple utility pole and conduit owners in the project footprint. While MTC is confident that the memorandums of understanding for expedited pole attachment licensing processes with the incumbent pole owners will initially help us to save time, we are concerned about the great amount of make-ready work that will likely need to be completed before pole attachment licenses can be issued. Much of the make-ready work that is required needs to be performed by third party entities that are not under the control of MTC. It would be very useful to know what other states are doing about these potential road blocks. It would be helpful if the BTOP program would develop and share best practices it learns about through its recipients.

### 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	\$1,871,196	\$598,342	\$1,272,854	\$846,407	\$270,681	\$575,726	\$942,032	\$301,262	\$640,770
b. Land, structures, right-of-ways, appraisals, etc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$9,317,022	\$2,979,253	\$6,337,769	\$969,844	\$310,156	\$659,688	\$1,735,263	\$554,937	\$1,180,326
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$2,218,560	\$709,417	\$1,509,143	\$0	\$0	\$0	\$221,856	\$70,950	\$150,906
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	\$51,193,858	\$19,660,308	\$31,533,549	\$197,470	\$63,151	\$134,319	\$5,493,536	\$5,046,990	\$446,546
j. Equipment	\$7,044,808	\$2,252,680	\$4,792,129	\$0	\$0	\$0	\$0	\$0	\$0
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>l. SUBTOTAL (add a through k)</b>	<b>\$71,645,444</b>	<b>\$26,200,000</b>	<b>\$45,445,444</b>	<b>\$2,013,721</b>	<b>\$643,988</b>	<b>\$1,369,733</b>	<b>\$8,392,687</b>	<b>\$5,974,139</b>	<b>\$2,418,548</b>
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>n. TOTALS (sum of l and m)</b>	<b>\$71,645,444</b>	<b>\$26,200,000</b>	<b>\$45,445,444</b>	<b>\$2,013,721</b>	<b>\$643,988</b>	<b>\$1,369,733</b>	<b>\$8,392,687</b>	<b>\$5,974,139</b>	<b>\$2,418,548</b>

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