

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 NT10BIX5570047	3. DUNS Number 127973282
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4. Recipient Organization Northwest Open Access Network 5802 Overlook Avenue NE, Tacoma, WA 98422-1435
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5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2011	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 Dave Spencer	7c. Telephone (area code, number and extension) 2083436477
	7d. Email Address noanet@chrsolutions.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 02-29-2012
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Project Indicators (This Quarter)

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

The fourth quarter of 2011 continued to focus on construction activities. Fiber deployment continues to be a major initiative as we strive to overcome some of the lag in original baseline forecasting. Additional permitting and Right of Way acquisition continues as we finalize remaining routes and prepare for remaining construction contracts to be awarded. Sub Recipient participation and activity continues to ramp up as we approach the final project year.

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	48	Although lagging this metric, progress continues with aggressive construction scheduling and a compressed 2012 schedule. Current projections indicate this metric will be attaining the 70% completion at the end of second quarter 2012.
2b.	Environmental Assessment	100	No Variance.
2c.	Network Design	100	No Variance.
2d.	Rights of Way	90	Rights of Way acquisition is wrapping up with final work being completed in the upcoming quarter.
2e.	Construction Permits and Other Approvals	90	Northwest Open Access Network continues to work with each of the segments pending final changes and necessary rescopes within the project to acquire all permits as required. This process will continue until all routes are finalized and route modifications approved.
2f.	Site Preparation	75	Site preparation has lagged baseline with delays in approval of the environmental assessment. Final Site preparation will be taking place in quarter two of 2012.
2g.	Equipment Procurement	85	No Variance.
2h.	Network Build (all components - owned, leased, IRU, etc)	30	The Network Build metric will continue to lag as construction was scheduled to start much earlier in the project time line. All available resources will be utilized to bring this metric to baseline projections by the end of year three. The end of the quarter reflected 120 miles of fiber and 300 miles of conduit placed bringing the percent completed to thirty. Northwest Open Access Network is taking an aggressive approach to installing conduit so that when the February arrival of fiber is received, it can be expeditiously installed. This category was previously calculated using miles deployed.
2i.	Equipment Deployment	55	Equipment deployment will follow the Network Build metric and will attain the projections by quarter three of 2012.
2j.	Network Testing	20	Network Testing will be performed as the build progresses and services are turned up. Current projections indicate this metric will lag until quarter three of the last year of the project timeline and follow the same metric as Network Build.
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).

An aggressive Baseline projection coupled with unanticipated challenges with cultural clearance and easement acquisition, has created an ongoing challenge as it relates to measuring performance to the metrics originally forecasted. With delays in fiber shipments until February 2012, Northwest Open Access Network has pursued an aggressive approach to putting in conduit and accomplished over 300 miles of conduit and 120 miles of fiber. Although some slowdown with the weather has occurred in the fourth quarter, construction continues at a rapid pace.

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	120	NoaNet, due to delayed delivery of fiber, is aggressively building conduit miles for fiber delivery scheduled for February of 2012. At the end of this reporting quarter 120 miles of fiber and 300 conduit miles have been placed for a total of 420.
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)	120	See narrative under 'New Network Miles Deployed' above.
Number of new wireless links	0	Original projections indicated that the project would have been further along than currently reporting. Due to unanticipated delays associated with environmental, permitting, and easement processes, wireless links are projected to be incorporated during Q3 of 2012.
Number of new towers	0	Original projections indicated that the "build" of new towers would have been higher than current actuals and is delayed due to unanticipated timing of environmental approval, permitting, and easement processes. Tower placement in NW-1 is currently in jeopardy with permitting dependant upon approval from Federal Agencies. The one additional new tower slated for the SW-1 is being replaced with wet cable placement as outlined in EA Addendum 2. Additional tower sites are projected for completion in quarter three of 2012.
Number of new and/or upgraded interconnection points	5	Original projections indicated that this "build" metric would have been higher than current actuals and is due to unanticipated delays associated with environmental, permitting, and easement processes. Interconnection points will be available as fiber routes are placed and services are turned up throughout the life of the project. Current projections indicate this metric will meet Baseline projections in quarter three of year three.

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	43
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	1
Average term of signed agreements (in quarters)	20

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:
 The 43 signed agreements referred to above are comprised of 34 pre-existing wholesale customers of NoaNet with Agreement start date pre-dating the Broadband Technology Opportunities Program award and seven (7) new agreements in the past seven quarters. These contracts have non-disclosure provisions that prohibit public release of their specific names without prior consent. The list of pre-existing customers has been previously Provided to NTIA under separate cover as "Privileged and Confidential" sales and marketing information.

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:
 Northwest Open Access Network provides wholesale services to telecommunications companies, Internet providers, application service providers and cable companies throughout the State of Washington. Ethernet, Wave, IP and TDM Transport Services are

among the services provided and available to interested parties.

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).

Sub Recipients:

Sawnet, c/o Sawtooth Technologies, 50 SE Cascade Ave., Stevenson, WA 98648 509-427-4865
 Black Rock Cable, Inc., 1512 Fairview St., Bellingham, WA 98229 360-738-3116

Network drawings have been previously submitted.

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	3	One existing service provider is predominantly the Broadband Wholesale provider for the recent additions to new service locations in the network. Current projections indicate this metric to meet Baseline projections in quarter three of year three of the project.
	Providers with signed agreements receiving improved access	1	See Narrative above.
	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	4	2-10 Meg, 1-30 Meg, and 1-100 Meg
Community Anchor Institutions (including Government institutions)	Total subscribers served	8	Initial connections to Community Anchor Institutions began to take place last quarter. Initial projections had construction and subscribers starting in quarter three of year one. With the delay in construction, permitting and the environmental process, this metric will lag into the final year of the project. The compressed construction schedule will require an accelerated rate of build to meet the allowed time frame. Current projections indicate this metric to be attained in quarter three of year three of the project.
	Subscribers receiving new access	7	See narrative above under 'Total Subscribers Served'.
	Subscribers receiving improved access	1	See narrative above under 'Total Subscribers Served'.
	Please identify the speed tiers that are available and the number or subscribers for each	8	6-10Mbps, 1-30Mbps, and 1-100 Mbps
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

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	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).

None at this time in the project.

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
Ilwaco Timberland Library	Ilwaco	Library	No	Broadband Connection to assist schools, libraries, and other institutions with additional bandwidth for learning and educational purposes.
North Olympic Library	Sequim	Library	No	Broadband Connection to assist schools, libraries, and other institutions with additional bandwidth for learning and educational purposes.
Yakima Valley Regional Library	Yakima	Library	No	Broadband Connection to assist schools, libraries, and other institutions with additional bandwidth for learning and educational purposes.

Project Indicators (Next Quarter)

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

Construction and additional miles of deployed Fiber will be the emphasis again this next quarter as we complete the second year of the project life cycle. These numbers are cumulative project to date.

New Network Miles Deployed (Fiber Only)- Total 420

New Network Miles Leased N/A

Total CAI Subscribers Served (CAI's Connected)- 21

Number of Signed Agreements with Wholesale or Last Mile Providers- 46

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	64	Expenditures are lagging baseline projections as an aggressive original forecast had construction beginning in year one of the project. This metric will lag into year three of the project life cycle. All available resources along with an expedited construction schedule will allow for an on time completion.
2b.	Environmental Assessment	100	No Variance.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2c.	Network Design	100	No Variance.
2d.	Rights of Way	95	Based on the necessity to make changes or to rescope segments of the project scheduled for construction in 2012, pending right of way acquisition may be necessary in the final stages of the project.
2e.	Construction Permits and Other Approvals	95	See 'Rights of Way' narrative above.
2f.	Site Preparation	75	Currently lagging Baseline projections as we enter the final year o the project. Some additional site preparation will linger into 2012 as final route preparation is performed prior to construction.
2g.	Equipment Procurement	95	No Variance.
2h.	Network Build (all components - owned, leased, IRU, etc.)	50	Northwest Open Access Network has found it necessary to initiate several route changes or rescopes of segments within the project for a variety of reasons. Pending review and approval has taken additional time and added delays to an already compressed schedule. The Network Build metric, although lagging significantly compared to original Baseline projections, will be met as required by the Broadband Technology Opportunities Program guidelines. Additional resources will be deployed to meet the projections during the final year of the project. Northwest Open Access is taking an aggressive approach to installing conduit so that when the February arrival of fiber is received, it can be expeditiously installed.
2i.	Equipment Deployment	70	Equipment is being deployed as fiber routes are completed. Delays in Fiber shipment has forced equipment deployment to follow final fiber splicing projected in quarter three of 2012.
2j.	Network Testing	30	Network testing will be performed as the build progresses and services are turned up. Current projections indicate this metric will lag until quarter three of year three of the project. This metric will mirror the Network Build schedule.
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).

Unfavorable weather may hamper construction progress yet during this quarter, but will be considered when planning for 2012. With delays in fiber shipment until the middle of this quarter, Northwest Open Access Network is pursuing an aggressive approach to installing conduit. We understand the issues surrounding this is beyond NTIA's control, but any assistance would be greatly appreciated.

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	\$1,385,673	\$0	\$1,385,673	\$0	\$0	\$0	\$0	\$0	\$0
b. Land, structures, right-of-ways, appraisals, etc.	\$3,845,935	\$3,574,685	\$271,250	\$3,450,473	\$3,438,187	\$12,286	\$3,600,000	\$3,580,000	\$20,000
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$5,193,245	\$0	\$5,193,245	\$3,961,296	\$0	\$3,961,296	\$4,500,000	\$0	\$4,500,000
e. Other architectural and engineering fees	\$2,136,368	\$0	\$2,136,368	\$3,632,456	\$0	\$3,632,456	\$4,100,000	\$0	\$4,100,000
f. Project inspection fees	\$8,194,858	\$0	\$8,194,858	\$5,016,575	\$0	\$5,016,575	\$6,500,000	\$0	\$6,500,000
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	\$70,065,546	\$11,209,538	\$58,856,008	\$21,274,518	\$6,056,020	\$15,218,499	\$35,000,000	\$7,000,000	\$28,000,000
j. Equipment	\$15,517,288	\$7,414,371	\$8,102,917	\$13,822,766	\$8,925,408	\$4,897,358	\$14,000,000	\$9,000,000	\$5,000,000
k. Miscellaneous	\$207,678	\$0	\$207,678	\$158,181	\$0	\$158,181	\$175,000	\$0	\$175,000
l. SUBTOTAL (add a through k)	\$106,546,591	\$22,198,594	\$84,347,997	\$51,316,265	\$18,419,615	\$32,896,651	\$67,875,000	\$19,580,000	\$48,295,000
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$106,546,591	\$22,198,594	\$84,347,997	\$51,316,265	\$18,419,615	\$32,896,651	\$67,875,000	\$19,580,000	\$48,295,000

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: \$7,686
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