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** NT10BIX5570073	**3. DUNS Number** 830534082

4. Recipient Organization

Bend Cable Communications, LLC 63090 Sherman Road, Bend, OR 97701-5750

5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2012	**6. Is this the last Report of the Award Period?** ◯ Yes ◉ 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 Melanie Grandjacques	**7c. Telephone (area code, number and extension)** 5413126561
	7d. Email Address mgrandjacques@bendbroadband.net
7b. Signature of Certifying Official Submitted Electronically	**7e. Date Report Submitted (MM/DD/YYYY):** 05-08-2012

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
*Significant construction progress on four out of five main routes.
*Started construction on the fifth route.

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**	33	Based on dollars expended to date
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**	38	Started construction on five of five main routes. Have not started construction on GePON routes. We anticipate starting on the GePON builds in May 2012.
2g.	**Equipment Procurement**	80	We have construction materials and fiber. We submitted RFPs for GePON equipment that we will send out. OTN RFPs to go out in May 2012.
2h.	**Network Build (all components - owned, leased, IRU, etc)**	30	41% (main routes); 0% CAIs; 0% GePON builds. We anticipate starting on the GePON builds in May 2012.
2i.	**Equipment Deployment**	0	Main fiber construction in progress; equipment required for CAI and GePON. We are targeting end of Q3 completion of main routes/GePON builds.
2j.	**Network Testing**	0	Main fiber construction in progress, equipment required for CAI and GePON. We are targeting end of Q3 to complete all main routes/GePON builds.
2k.	**Other (please specify):**	0	NA

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).
*Delays in construction due to necessary Environmental Asssessment re-route analysis.
*The response to our GePON response was not adequate for our needs and will therefore re-send. The delay will have no impact to GePON construction. GePON equipment procurement is estimated to be no more than four weeks.

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	59	Construction in progress - 43% complete but not activated; anticipate 60% complete end of Q2 2012 and 100% complete in Q3 2012 including activation. Total of 133.81 miles of fiber to be deployed.
New network miles leased	0	NA
Existing network miles upgraded	0	NA
Existing network miles leased	0	NA
Number of miles of new fiber (aerial or underground)	59	Construction in progress - 43% complete but not activated; anticipate 60% complete end of Q2 2012 and 100% complete in Q3 2012 including activation. Total of 133.81 miles of fiber to be deployed.
Number of new wireless links	0	NA
Number of new towers	0	NA
Number of new and/or upgraded interconnection points	0	Construction in progress - 43% complete but not activated; anticipate 60% complete end of Q2 2012 and 100% complete in Q3 2012 including activation.

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	1
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:
In negotiations

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:
In negotiations

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).
NA

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)

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	Construction in progress due to overall project delays; we will catch up to baseline by end of Q4.
	Providers with signed agreements receiving improved access	0	Construction in progress due to overall project delays; we will catch up to baseline by end of Q4.
	Providers with signed agreements receiving access to dark fiber	0	NA
	Please identify the speed tiers that are available and the number of subscribers for each	0	Construction in progress due to overall project delays; we will catch up to baseline by end of Q4.
Community Anchor Institutions (including Government institutions)	**Total subscribers served**	0	Construction in progress due to overall project delays; we will catch up to baseline by end of Q4.
	Subscribers receiving new access	0	Construction in progress due to overall project delays; we will catch up to baseline by end of Q4.
	Subscribers receiving improved access	0	Construction in progress due to overall project delays; we will catch up to baseline by end of Q4.
	Please identify the speed tiers that are available and the number or subscribers for each	0	Construction in progress due to overall project delays; we will catch up to baseline by end of Q4.
Residential / Households	**Entities passed**	0	NA - Middle mile and last mile business project
	Total subscribers served	0	NA - Middle mile and last mile business project
	Subscribers receiving new access	0	NA - Middle mile and last mile business project
	Subscribers receiving improved access	0	NA - Middle mile and last mile business project
	Please identify the speed tiers that are available and the number of subscribers for each	0	NA - Middle mile and last mile business project
Businesses	**Entities passed**	0	Construction in progress due to overall project delays; we will catch up to baseline by end of Q4.
	Total subscribers served	0	Construction in progress due to overall project delays; we will catch up to baseline by end of Q4.
	Subscribers receiving new access	0	Construction in progress due to overall project delays; we will catch up to baseline by end of Q4.
	Subscribers receiving improved access	0	Construction in progress due to overall project delays; we will catch up to baseline by end of Q4.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Construction in progress due to overall project delays; we will catch up to baseline by end of Q4.

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

Community Anchor Institutions receive 25% discount on service if sign five year agreement.

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

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

NA

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
0	0	0	0	0

Project Indicators (Next Quarter)

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

*Finish four of the five main routes.
*Resend and award the GePON RFP.
*Submit and award the OTN RFP.
*Begin construction on GePON in Sunriver, Madras and La Pine.
*Install equipment and activate signed Community Anchor Institutions.
*New network miles deployed - 80%
*New network miles leased - NA
*Total Community Anchor Institutions connected - 5
*Number of signed agreements with broadband wholesalers or last mile providers - 1

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	Four of five main routes complete and begin construction for GePONs.
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	80	Construction in progress; target project completion Q3 2012.
2g.	Equipment Procurement	100	Award RFPs and purchase GePON and OTN equipment.
2h.	Network Build (all components - owned, leased, IRU, etc.)	80	Four of five main routes will be complete. Will complete three GePON builds. Target project completion Q3 2012
2i.	Equipment Deployment	20	Will complete three GePON builds. Target project completion of all main routes and GePON builds Q3 2012.
2j.	Network Testing	20	Network testing of three GePON builds. Target project completion of all main routes and GePON builds Q3 2012.
2k.	Other (please specify):	0	NA

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.

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.

Cost Classification	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		
	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	$349,700	$104,910	$244,790	$218,919	$65,672	$153,247	$235,947	$70,784	$165,163
b. Land, structures, right-of-ways, appraisals, etc.	$121,855	$36,557	$85,298	$112,038	$33,612	$78,426	$117,038	$35,111	$81,927
c. Relocation expenses and payments	$0	$0	$0	$0	$0	$0	$0	$0	$0
d. Architectural and engineering fees	$70,000	$21,000	$49,000	$102,518	$30,756	$71,762	$127,518	$38,255	$89,263
e. Other architectural and engineering fees	$0	$0	$0	$0	$0	$0	$0	$0	$0
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	$3,914,725	$1,174,417	$2,740,308	$157,014	$47,104	$109,910	$2,357,014	$707,104	$1,649,910
j. Equipment	$1,856,242	$556,873	$1,299,369	$1,469,933	$440,980	$1,028,953	$1,559,933	$467,980	$1,091,953
k. Miscellaneous	$0	$0	$0	$0	$0	$0	$0	$0	$0
l. SUBTOTAL (add a through k)	$6,312,522	$1,893,757	$4,418,765	$2,060,422	$618,124	$1,442,298	$4,397,450	$1,319,234	$3,078,216
m. Contingencies									
n. TOTALS (sum of l and m)	$6,312,522	$1,893,757	$4,418,765	$2,060,422	$618,124	$1,442,298	$4,397,450	$1,319,234	$3,078,216

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