

QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information		
1. Federal Agency and Organizational Element to Which Report is Submitted GOL	2. Award Identification Number NT10BIX5570032	3a. DUNS Number 107957268
		3b. EIN XXXXXXXXXXX
4. Recipient Organization (Name and complete address including country, congressional district, and zip code) Lane Council of Government 859 Willamette ST STE 500, Eugene, OR 97401-3174		
5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2010	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 Milo Mecham Program Manager	7c. Telephone (area code, number and extension) 5416824023	
	7d. Email Address mmecham@lcog.org	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-19-2010	

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (150 words or less).
 Worked on completion of detailed design of system; responded to comments on environmental assessment; initiated selection process for some construction contractors.

2. Please provide the percent complete for the following key milestones in your project. Write "N/A" in the second 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 (100 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	7	Resolution of the environmental issues took longer than expected; the problem relates to resolution of some Section 106 issues. The corrective action is to resolve the differences between the NTIA and the State historic preservation office. Once construction can begin we expect to catch up. We have selected several contractors and are awaiting completion of the environmental assessment to contract and begin construction.
2b.	Environmental Assessment	85	In the course of doing the environmental assessment, some properties with potential cultural significance were identified. The common method for dealing with these issues, referred to as section 106 questions, is to enter into an agreement between the applicant, the federal agency, and the state historic preservation office. This has been delayed because of differences in expectations about the form of the agreement between NTIA and SHPO. This will be resolved by getting an agreement between SHPO and NTIA.
2c.	Network Design	85	The need for an archeological review of some excavations (related to the delayed environmental assessment) delayed completion of the network design. This has been resolved and the network design will be completed this quarter.
2d.	Rights of Way	0	Progress has been delayed by the review of the proposed methodology for securing the federal interest and thus the ownership of the required right of way permissions. This deviation will be corrected by resolution of the ownership question with NTIA, or in the alternative, by acquisition of the necessary permissions to initiate construction in the rights of way.
2e.	Construction Permits and Other Approvals	10	The number of actual construction permits required will be determined by the resolution of the ownership of the fibers. The baseline projectin was made based on earlier discussions with NTIA which were understood to indicate acceptance of the proposal to vest ownership of the installed fiber in the loca jurisdictions where the fiber will be installed. Whenit was learned that this question remained open, the estimates of progress were revised downward. The project will get back on track by resolving the issue of ownership with NTIA, or in the alternative, by seeking otherwise unnecessary construction permits.
2f.	Site Preparation	0	No deviation from expected progress
2g.	Equipment Procurement	0	A portion of the design of the system was recalculated, changing the number and type of certain equipment necessary. This design has been chosen and equipment procurement can proceed.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	The delay in completing the environmental assessment and the delay in resolving the ownership question have delayed the initiation of the network build. LCOG has proceeded with as many preliminary steps as possible, so that, when the environmental assessment is completed, we will be able to catch up quickly.

2i. Equipment Deployment	0	The baseline projections were too optimistic. The need for a more detailed design cause delays in the selection of equipment and thus in the deployment of the equipment. LCOG will be able to catch up on this portion of the project as it moves forward with other aspects of the project.
2j. Network Testing	0	No deviation from expected progress
2k. Other (please specify): NONE	0	No deviation from expected progress

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 (150 words or less).

Resolution of the Section 106 (Natural and Cultural Resource preservation) compliance issues is proving difficult because of the number of parties involved and the variety of expectations. A draft agreement for compliance has been submitted and modified in response to comments.

4. Please report the following information regarding network build progress. Write "N/A" in the second 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 (100 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	The baseline projection was too optimistic. The resolution of the environmental assessment has delayed the start of construction, and thus delayed the deployment of new network miles. As soon as construction can begin, LCOG should be able to catch up on this aspect of the project.
New network miles leased	0	LCOG has entered into negotiations to acquire this additional network fiber, but has not resolved matters by the end of the reporting period. LCOG expects to complete the lease in the next quarter and be back on track.
Existing network miles upgraded	0	No deviation from expected progress
Existing network miles leased	0	No deviation from expected progress
Number of miles of new fiber (aerial or underground)	0	Concentration on completion of the environmental assessment has distracted LCOG from completion of this step. The agreements have been negotiated and only need to be signed. This will be accomplished in the next quarter.
Number of new wireless links	0	NA
Number of new towers	0	NA
Number of interconnection points	0	No deviation from expected progress

For questions 5 and 6 please include information relating to agreements that you are negotiating or have entered into, or that your subrecipient, 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	0

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements. Providers:

None. LCOG intended to have construction underway before entering into formal agreements with broadband providers. The delay in completion of the Environmental Assessment has delayed this process. In addition the relationship with most wholesale broadband

providers will be influenced by the resolution of the security interest questions. When these issues are resolved, LCOG will be able to move forward with securing the agreements with the broadband providers.

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. Wholesale services description:
 Maximum services are planned at the gigabit or the 100 megabit level. It is planned to offer services in 10 mg increments. No pricing decisions have been made 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 subrecipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this third party operates (150 words or less).
 No designations have been made yet.

6. Please provide the data according to the type of subscriber. Write "N/A" 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 (100 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	The delay in construction caused by the delay in completion of the environmental assessment has resulted in no signed agreements with new providers. When construction can begin, LCOG will be able to sign agreements with providers, granting them additional access.
	Providers with signed agreements receiving improved access	0	No deviation from expected progress
	Providers with signed agreements receiving access to dark fiber	0	No deviation from expected progress
	Please identify the speed tiers that are available and the number of subscribers for each	0	NA
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	The delay in starting construction because of the delay in completing the environmental assessment has meant that no community anchor institutions have been connected. When construction is underway, the number of institutions served should grow quickly.
	Subscribers receiving new access	0	The delay in starting construction because of the delay in completing the environmental assessment has meant that no community anchor institutions have been connected. When construction is underway, the number of institutions served should grow quickly.
	Subscribers receiving improved access	0	No deviation from expected progress
	Please identify the speed tiers that are available and the number of subscribers for each	0	NA
Residential / Households	Entities passed	0	NA
	Total subscribers served	0	NA
	Subscribers receiving new access	0	NA
	Subscribers receiving improved access	0	NA

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	NA
Businesses	Entities passed	0	NA
	Total subscribers served	0	NA
	Subscribers receiving new access	0	NA
	Subscribers receiving improved access	0	NA
	Please identify the speed tiers that are available and the number of subscribers for each	0	NA

7. Please describe any special offerings you may provide (150 words or less).
 We plan to provide a variety of speeds, ranging up to one gigabit on the Eugene to Klamath Falls route.

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

8b. If so, please describe the changes (150 words or less).
 No changes have been made.

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. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent calendar year. 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 (100 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
NONE YET	NA	NA	NA	None yet
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (150 words or less).
 Complete Environmental Assessment; complete design work; initiate requests for construction permits where necessary; solicit bids for construction work; contract for some construction services.

2. Please provide the percent complete for the following key milestones in your project. Write "N/A" in the second 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 (100 words or less).

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	Overall Project	15	Because the environmental assessment has taken longer to complete, we are starting more slowly than planned. We are, however, working on preparatory actions to allow us to catch up.
2b.	Environmental Assessment	100	NA
2c.	Network Design	100	NA
2d.	Rights of Way	25	Concentrating on the environmental assessment has delayed other aspects of the project. In addition, the question of ownership that has not been resolved has caused LCOG to delay acquisition of permissions that may not be necessary. When these issues are resolved, LCOG should be able to move quickly to get the project back on track.
2e.	Construction Permits and Other Approvals	20	Concentrating on the environmental assessment has delayed other aspects of the project. In addition, the question of ownership that has not been resolved has caused LCOG to delay permits that may not be necessary. When these issues are resolved, LCOG should be able to move quickly to get the project back on track.
2f.	Site Preparation	20	Concentrating on the environmental assessment has delayed other aspects of the project. In addition, the question of ownership that has not been resolved has caused LCOG to delay the site preparations that may not be necessary. When these issues are resolved, LCOG should be able to move quickly to get the project back on track.
2g.	Equipment Procurement	10	LCOG expects to complete the selection of one wholesale broadband provider this quarter. As a part of that process, LCOG will determine the equipment to be used on a portion of the network and will initiate, if not complete the equipment procurement.
2h.	Network Build (all components - owned, leased, IRU, etc.)	75	LCOG will secure the agreements that will secure the bulk of the network planned during this quarter.
2i.	Equipment Deployment	0	The delay in completion of the environmental assessment has delayed the start of construction and therefore the deployment of equipment has been delayed. When construction is started, it will be a short time before any equipment deployment is justified.
2j.	Network Testing	10	LCOG expects to complete this portion of the network testing this quarter.
2k.	Other (please specify): NONE	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 (150 words or less).
 The Section 106 compliance issues will mean that an archeologist must do some survey work. It will be a challenge to do this work in the winter, but we are hopeful that it can be accomplished in a way that will not impede progress.

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	\$39,000	\$39,000	\$0	\$37,469	\$37,469	\$0	\$38,270	\$38,270	\$0
b. Land, structures, right-of-ways, appraisals, etc.	\$30,000	\$18,000	\$12,000	\$0	\$0	\$0	\$20,000	\$0	\$20,000
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$400,430	\$26,000	\$374,430	\$184,480	\$0	\$184,480	\$300,000	\$10,000	\$290,000
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	\$8,390,480	\$2,030,505	\$6,359,975	\$0	\$0	\$0	\$50,000	\$0	\$50,000
j. Equipment	\$1,538,655	\$0	\$1,538,675	\$0	\$0	\$0	\$0	\$0	\$0
k. Miscellaneous	\$40,470	\$0	\$40,470	\$4,627	\$884	\$3,743	\$5,400	\$884	\$4,500
I. SUBTOTAL (add a through k)	\$10,439,035	\$2,113,505	\$8,325,550	\$226,576	\$38,353	\$188,223	\$413,670	\$49,154	\$364,500
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of I and m)	\$10,439,035	\$2,113,505	\$8,325,550	\$226,576	\$38,353	\$188,223	\$413,670	\$49,154	\$364,500

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
---	--------------------------------