

QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information

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| 1. Federal Agency and Organizational Element to Which Report is Submitted Department of Commerce, National Telecommunications and Information Administration | 2. Award Identification Number NT10BIX5570032 | 3. DUNS Number 107957268 |
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| 4. Recipient Organization Lane Council of Government 859 Willamette ST STE 500, Eugene, OR 97401-3174 |
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|--|---|
| 5. Current Reporting Period End Date (MM/DD/YYYY) 06-30-2013 | 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.

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|---|--|
| 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 |

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|---|--|
| 7b. Signature of Certifying Official Submitted Electronically | 7e. Date Report Submitted (MM/DD/YYYY): 08-30-2013 |
|---|--|

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 Completed construction on eight additional anchor institutions. Received permitting approval for additional four anchor institutions..

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 | 94 | The final equipment purchases have been held back to make certain that the budget comes in within the original plan. |
| 2b. | Environmental Assessment | 100 | Completed |
| 2c. | Network Design | 100 | Completed |
| 2d. | Rights of Way | 100 | Completed |
| 2e. | Construction Permits and Other Approvals | 100 | Completed |
| 2f. | Site Preparation | 100 | Completed |
| 2g. | Equipment Procurement | 85 | Equipment purchases will be completed next quarter |
| 2h. | Network Build (all components - owned, leased, IRU, etc) | 95 | Only the newly approved elements are not complete. They will be completed in July. |
| 2i. | Equipment Deployment | 70 | Equipment deployment will be completed in July. Delays in equipment delivery limited progress last quarter. |
| 2j. | Network Testing | 90 | This will be completed in July. |
| 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 equipment delivery affected some of the project completion dates.

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 | 102 | This is a more accurate measure of distances. |
| New network miles leased | 353 | All planned network miles have been leased. |
| Existing network miles upgraded | 0 | NA |
| Existing network miles leased | 0 | NA |
| Number of miles of new fiber (aerial or underground) | 102 | Construction is catching up with projections |
| Number of new wireless links | 0 | NA |
| Number of new towers | 0 | NA |

| Indicator | Total | Narrative (describe your reasons for any variance from the baseline plan or any other relevant information) |
|--|-------|---|
| Number of new and/or upgraded interconnection points | 1 | The site is operational. |

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 | 3 |
| Number of agreements currently being negotiated with broadband wholesalers or last mile providers | 3 |
| Average term of signed agreements (in quarters) | 80 |

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: Douglas Fast Net, CoastCom, Hunter Communications

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:

The wholesale services are all fiber based ethernet services. As of this date, the only provider providing services on the wholesale level as a part of this project is Douglas Fast Net. The pricing plan was provided in previous reports.

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).

CoastCom, Inc. 151 E. Olive St. Newport OR 97365, 541-574-9999, Contractor using one half of the fibers installed in Florence, Oregon.
Douglas Fast Net, 450 NE Oakland Ave. Roseburg, OR 97601, 541-673-4242, Contractor using one half of the constructed fibers in Sutherlin, Myrtle Creek, Canyonville, Winston and Riddle Oregon.
Hunter Communication, 541-772-9282, Contractor will provide services in the future over one half the installed fiber in Chemult and Chiloquin, Oregon.
The University of Oregon's Network for Engineering Research has been selected as a contractor to operate the network equipment on the route between Eugene and Klamath Falls. Contact information: David Crowe, NERO, crowe@nero.net

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 | Negotiating the agreements has taken longer than expected because we have concentrated on construction. |
| | Providers with signed agreements receiving improved access | 0 | Negotiating the agreements has taken longer than expected because we have concentrated on construction. They have all been negotiated, the only task remaining is collecting signatures. |
| | 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 | 8 | There are tiers available from 1 Megabit to a gigabit. Thus far most subscribers select services in the 10 Mgbt range |
| Community Anchor Institutions (including Government institutions) | Total subscribers served | 135 | This represents an increase in the baseline, based on subsequent approvals of additional Anchor Insitutions |

| 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 | 116 | Most subscribers are gaining new access |
| | Subscribers receiving improved access | 19 | These are the customers most appreciative of the services being offered. |
| | Please identify the speed tiers that are available and the number or subscribers for each | 8 | There are tiers available from one Megabit to a gigabit. Most clients are choosing services in the 10 Megabit range. In our project the services are provided by third party service providers. We do not have details on each end user. |
| Residential / Households | 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 |
| 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 (600 words or less).

Gigabit Ethernet

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 |
|--------------------------------|-------------------------------|--|--|---|
| Creswell City Hall | Creswell | Governmental Institution | No | Connection to other agency sites, system monitoring |
| Lane County Sheriff substation | Creswell | Public Safety | No | Connection to other agency sites |
| South Lane Fire | Creswell | Public Safety | No | Internet access, training |

| 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 |
|---|-------------------------------|--|--|---|
| Veneta Elementary | Veneta | School | No | Internet Access, access to the remainder of the district |
| Applegate Medical | Veneta | Medical | No | Internet access, participate in medical records improvements |
| Lane Community College Flight Training Center | Eugene | Higher Education | No | Internet access, connectivity to other campus segments |
| Lane Transit Ride Source | Eugene | Governmental Institution | No | Connection with other Transit District offices |
| Oregon State Human Resources | Eugene | Governmental Institution | No | Internet access, access to other employment services providers |
| Fern Ridge Service Center | Veneta | Governmental Institution | No | Internet access, access to other government service centers for the aging |
| Springfield Emergency Operations Center | Springfield | Public Safety | No | Connection with Emergency Dispatch and other emergency Operations Centers |
| Eugene School District 4J Transportation | Eugene | School | No | Connection with other school buildings |

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 Completion of all network builds, Compete equipment purchasing and equipment deployment. Complete an additional three broadband service provider agreements. Complete connection to all Anchor institutions (139 total). Complete fiber construction adding approximately one and one half miles of new fiber, bringing the total miles to 103.7 miles. Close grant.

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 | 100 | Completed |
| 2b. | Environmental Assessment | 100 | Completed |
| 2c. | Network Design | 100 | Completed |
| 2d. | Rights of Way | 100 | Completed |
| 2e. | Construction Permits and Other Approvals | 100 | Completed |
| 2f. | Site Preparation | 100 | Completed |
| 2g. | Equipment Procurement | 100 | Completed |
| 2h. | Network Build (all components - owned, leased, IRU, etc.) | 100 | Completed This includes a planned connection of an additional four CAIs building an additional 1.5 miles of fiber. |
| 2i. | Equipment Deployment | 100 | Completed |
| 2j. | Network Testing | 100 | Completed |
| 2k. | Other (please specify): NA | 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).
 The only possible delay will be that equipment delivery may be delayed due to unforeseen conditions. In that event we will complete

RECIPIENT NAME: Lane Council of Government

AWARD NUMBER: NT10BIX5570032

DATE: 08/30/2013

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 6/30/2015

equipment installation in the next month, at no additional cost to the grant.

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 | \$39,311 | \$39,311 | \$0 | \$93,311 | \$39,311 | \$54,000 |
| b. Land, structures, right-of-ways, appraisals, etc. | \$30,000 | \$18,000 | \$12,000 | \$30,000 | \$18,000 | \$12,000 | \$30,000 | \$18,000 | \$12,000 |
| 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 | \$422,905 | \$48,475 | \$374,430 | \$422,905 | \$48,475 | \$374,430 |
| 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 | \$8,092,165 | \$1,962,935 | \$6,129,230 | \$8,347,056 | \$2,006,835 | \$6,340,221 |
| j. Equipment | \$1,538,655 | \$0 | \$1,538,655 | \$1,146,001 | \$0 | \$1,146,001 | \$1,538,655 | \$0 | \$1,538,655 |
| k. Miscellaneous | \$40,470 | \$0 | \$40,470 | \$7,108 | \$884 | \$6,224 | \$7,108 | \$884 | \$6,224 |
| l. SUBTOTAL (add a through k) | \$10,439,035 | \$2,113,505 | \$8,325,530 | \$9,737,490 | \$2,069,605 | \$7,667,885 | \$10,439,035 | \$2,113,505 | \$8,325,530 |
| m. Contingencies | | | | | | | | | |
| n. TOTALS (sum of l and m) | \$10,439,035 | \$2,113,505 | \$8,325,530 | \$9,737,490 | \$2,069,605 | \$7,667,885 | \$10,439,035 | \$2,113,505 | \$8,325,530 |

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 |
|---|--------------------------------|