

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 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

5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2011	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 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): 11-23-2011
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Project Indicators (This Quarter)			
<p>1. Please describe significant project accomplishments completed during this quarter (600 words or less). Design work is progressing. Over sixty percent of the construction contracts (by value) have been signed. Construction has been initiated for several locations. Construction of the interconnection site is approximately fifty percent completed.</p>			
<p>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).</p>			
	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2a.	Overall Project	24	This is beginning to get back on track after the loss of schedule due to the environmental review.
2b.	Environmental Assessment	100	Completed
2c.	Network Design	92	This is beginning to get back on track after the loss of schedule due to the environmental review. We will be hiring design/build contractors to catch up. Expect to regain baseline 2nd quarter 2012.
2d.	Rights of Way	60	This is beginning to get back on track after the loss of schedule due to the environmental review.
2e.	Construction Permits and Other Approvals	60	This is beginning to get back on track after the loss of schedule due to the environmental review.
2f.	Site Preparation	15	This is beginning to get back on track after the loss of schedule due to the environmental review. We will be hiring design/build contractors to catch up. Expect to regain baseline 2nd quarter 2012.
2g.	Equipment Procurement	10	This is beginning to get back on track after the loss of schedule due to the environmental review. We have begun to work with our providers to purchase equipment early to avoid last minute delays. We expect to regain the baseline second quarter 2012.
2h.	Network Build (all components - owned, leased, IRU, etc)	50	One IRU, representing approximately fifty percent of the total route miles has been secured. A second IRU representing another ten percent is being signed as the quarter ends. Expect to be back to baseline by year end 2011.
2i.	Equipment Deployment	0	Deployment must wait at least until construction has begun. We hope to get deployment to be coincidental with construction, so that there will be no delays in the initiation of service. We expect to be back to the baseline by end of second quarter 2012.
2j.	Network Testing	15	This is beginning to get back on track after the loss of schedule due to the environmental review. This should be back to the baseline progress in the second quarter of 2012.
2k.	Other (please specify):	0	NA
<p>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). The challenge that cause a delay was the environmental review. We are experiencing some delays no because of fiber shortages. We have proceeded with the installation of underground conduit where appropriate and have ordered the fiber to install later when it arrives. We are working to implement the plan developed with NTIA after the loss of schedule because of the delays caused by the environmental review. Much of the preliminary work, design, permitting and so forth takes up much more time than the actual construction takes, especially for the above ground construction. For that reason, although we are not fifty percent spent, we are approaching the fifty percent mark in terms of the time required for completion. Two delays that we experienced that can be seen below in the Budget Execution Details 1b; there was a delay in securing the ground lease for a regeneration site because of unrelated fiscal and electoral difficulties in the city of Oakridge, there also was a delay in the acquisition of some equipment because of a delay in testing the signal loss in a portion of the network. We anticipate completion of these matters in quarter 4, 2011.</p>			
<p>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</p>			

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	The baseline was too optimistic, especially because it did not take into account the delays caused by an extended environmental review. Construction has begun, so there will be network miles deployed in Q4.
New network miles leased	230	This is approaching the baseline projection. The leases should be completed in Q4.
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	In the Q2 report this was read to include network miles leased. If it refers only to constructed fiber, then it should be zero until Q4.
Number of new wireless links	0	No deviation from expected progress.
Number of new towers	0	No deviation from expected progress.
Number of new and/or upgraded interconnection points	0	The delay in the environmental assessment pushed back the progress on making connections. With construction underway, we expect that these interconnection points will be coming on line soon. We expect to return to the baseline projections sometime in Q3 2012.

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	5
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 yet.

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:

Maximum service levels are planned at the gigabit level, with services offered at all levels, centering around 100 megabit level. 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 sub recipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this third party operates (600 words or less).

One third party contractor has been designated. The University of Oregon's Network for Engineering Research has been selected to operate the network equipment on the route between Eugene and Klamath Falls. Contact information: David Crowe, NERO, crowe@nero.net No other third parties have been designated yet. All of the designations will be for contractors. Negotiations are nearing completion with several contractors for service.

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	No agreements were negotiated until the environmental assessment was completed. Several providers have been selected and negotiations are nearing completion.
	Providers with signed agreements receiving improved access	1	No agreements were negotiated until the environmental assessment was completed. Several providers have been selected and negotiations are nearing completion
	Providers with signed agreements receiving access to dark fiber	0	No agreements were negotiated until the environmental assessment was completed. Several providers have been selected and negotiations are nearing completion
Community Anchor Institutions (including Government institutions)	Please identify the speed tiers that are available and the number of subscribers for each	0	NA
	Total subscribers served	0	Because construction began in Q3, the project expects to begin to serve anchor institutions in Q4 2011. We should catch up to the baseline projections in Q3 2012.
	Subscribers receiving new access	0	Because construction began in Q3, the project expects to begin to serve anchor institutions in Q4 2011. We should catch up to the baseline projections in Q3 2012.
	Subscribers receiving improved access	0	Because construction began in Q3, the project expects to begin to serve anchor institutions in Q4 2011. We should catch up to the baseline projections in Q3 2012.
Residential / Households	Please identify the speed tiers that are available and the number of subscribers for each	0	NA
	Entities passed	0	NA
	Total subscribers served	0	NA
	Subscribers receiving new access	0	NA
	Subscribers receiving improved access	0	NA
Businesses	Please identify the speed tiers that are available and the number of subscribers for each	0	NA
	Entities passed	0	NA
	Total subscribers served	0	NA
	Subscribers receiving new access	0	NA
	Subscribers receiving improved access	0	NA

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

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
None yet	NA	NA	NA	NA

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 Connect first anchor institutions. Complete agreements with four broadband service providers. Process and receive approval for route changes adding anchor institutions to the list to be served. Complete additional procurements for construction. Construct additional network miles, (estimated 25). Complete network leases, adding an additional 40 miles of network. Begin connecting CAIs, with an estimated

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	31	After completion of the environmental review work has progressed on the time consuming preliminary work of final design, permitting and procurement.
2b. Environmental Assessment	100	Completed
2c. Network Design	95	This will proceed as construction moves forward.
2d. Rights of Way	65	This will proceed as construction moves forward.
2e. Construction Permits and Other Approvals	65	This will proceed as construction moves forward.
2f. Site Preparation	25	This will proceed as construction moves forward.
2g. Equipment Procurement	30	This will proceed as construction moves forward.
2h. Network Build (all components - owned, leased, IRU, etc.)	60	This will proceed as construction moves forward.
2i. Equipment Deployment	5	This will proceed as construction moves forward.
2j. Network Testing	30	This will proceed as construction moves forward.
2k. Other (please specify):		

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 continued delay in the delivery of fiber will cause some disruption. We are solving this problem by contracting with suppliers and builders who have some supplies on hand.

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	\$39,311	\$39,311	\$0
b. Land, structures, right-of-ways, appraisals, etc.	\$30,000	\$18,000	\$12,000	\$0	\$0	\$0	\$18,000	\$18,000	\$0
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	\$402,533	\$48,475	\$354,058	\$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	\$2,033,502	\$1,675,661	\$357,841	\$2,488,139	\$1,876,502	\$611,637
j. Equipment	\$1,538,655	\$0	\$1,538,655	\$0	\$0	\$0	\$250,000	\$0	\$250,000
k. Miscellaneous	\$40,470	\$0	\$40,470	\$4,627	\$884	\$3,743	\$6,650	\$0	\$6,650
l. SUBTOTAL (add a through k)	\$10,439,035	\$2,113,505	\$8,325,530	\$2,479,973	\$1,764,331	\$715,642	\$3,225,005	\$1,982,288	\$1,242,717
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$10,439,035	\$2,113,505	\$8,325,530	\$2,479,973	\$1,764,331	\$715,642	\$3,225,005	\$1,982,288	\$1,242,717

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
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