

RECIPIENT NAME:OpenCape Corporation

AWARD NUMBER: NT10BIX5570039

DATE: 02/16/2011

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

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 NT10BIX5570039	3. DUNS Number 825181949
4. Recipient Organization OpenCape Corporation 2240 Iyannough Road, West Barnstable, MA 02668-1532		
5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2010	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 Daniel Gallagher CEO	7c. Telephone (area code, number and extension) 5085245901	
	7d. Email Address dgallagher@opencape.com	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 02-16-2011	

Project Indicators (This Quarter)

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

OpenCape reached major milestones in the fourth quarter.

OpenCape awarded an Auditing Services Contract to O'Connor and Drew P.C. and began providing necessary documentation for A133 audit after the end of the fiscal year.

OpenCape received a Finding of No Significant Impact (FONSI) on environmental and cultural resources from construction of the OpenCape system from the NTIA under the National Environmental Policy Act (NEPA). The release of a FONSI allows OpenCape to move forward with its project and eliminates the need for a full Environmental Impact Statement.

OpenCape became a Common Local Exchange Carrier (CLEC) in order to gain access to Incumbent Local Exchange Carrier (ILEC) Central Offices. This is an essential element of OpenCape's strategy to own all underlying rights associated with the OpenCape system.

OpenCape awarded a contract for the Field Survey, Licensing and Permitting, and Engineering of the network outside plant (OSP) to UC/Synergetic of Mansfield, MA. UC/Synergetic immediately began surveying the the entire fiber optic route to assess in very fine detail the telephone poles, bridge crossings, and other infrastructure that will receive the OpenCape fiber optics. They began managing the process of preparing Verizon, NSTAR, and National Grid telephone poles and conduit to receive the OpenCape fiber while simultaneously engineering the detailed plans needed by the contractor OpenCape will select to build the network.

OpenCape issued in early October an RFP for the Network Design and Build, and the Network Operation and selected a successful respondent in November, 2010. Contract negotiations with the successful respondent are underway in the fourth quarter and are expected to conclude in January, 2010. This contract will represent the largest single contract award by OpenCape on the order of \$23-\$26 million.

OpenCape concluded its contract with the Commonwealth of Massachusetts to begin receiving its \$5 million match component.

OpenCape was the successful respondent to an RFP issued by Barnstable County to secure a lease for the County's public safety building. Lease negotiations are underway. When in receipt of the lease OpenCape will issue an RFP to renovate the building as the OpenCape Regional Collocation Center.

OpenCape continued its normal outreach to stake holders and community anchor institutions to include meetings with the FCC's Wireline Competition Bureau, Senator John Kerry's staff, the Hyannis Rotary Club, the International Brotherhood of Electrical Workers local 103, public school districts, and New England recipients of BTOP grants.

OpenCape held meetings with OSHEAN, a round 2 BTOP recipient, to jointly develop a solution to an eight mile overlap of fiber in the New Bedford, MA area.

OpenCape held meetings with the Barnstable County Regional Emergency Preparedness Committee 700Mhz Sub-Committee. The Committee is made up of local police and fire chiefs, and other emergency services leaders. OpenCape has funding within its grant for 700Mhz radios. The Committee is developing the necessary organization and strategy to acquire a 700Mhz waiver from the FCC, along with other issues, such as acquiring a 700Mhz core and mobile equipment.

OpenCape began the process of formalizing agreements with water district and other tower owners for placement of radio and antenna equipment associated with its public safety microwave overlay.

OpenCape continues to reach out to the Army Corps of Engineers to begin the process of permitting its directional bore under the Cape Cod Canal.

OpenCape began negotiating modifications of utility pole and conduit Master Agreements with regional pole owners. OpenCape will require at least seven such agreements with Verizon, NSTAR and NationalGrid. Simultaneously, OpenCape has negotiated with pole owners the most expeditious manner to process license applications and move make ready work forward.

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)

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2a.	Overall Project	10	See 3 following for explanation of variance.
2b.	Environmental Assessment	100	See 3 following for explanation of variance.
2c.	Network Design	75	Due to requirement to issue new RFPs and select new contractors this item has been delayed. See Section 3 for details.
2d.	Rights of Way	25	Due to requirement to issue new RFPs and select new contractors this item has been delayed. See Section 3 for details.
2e.	Construction Permits and Other Approvals	20	Due to requirement to issue new RFPs and select new contractors this item has been delayed. See Section 3 for details.
2f.	Site Preparation	0	See 3 following for explanation of variance.
2g.	Equipment Procurement	0	Due to requirement to issue new RFPs and select new contractors this item has been delayed. See Section 3 for details.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	Due to requirement to issue new RFPs and select new contractors this item has been delayed. See Section 3 for details.
2i.	Equipment Deployment	0	See 3 following for explanation of variance.
2j.	Network Testing	0	See 3 following for explanation of variance.
2k.	Other (please specify):	75	Due to requirement to issue new RFPs and select new contractors this item has been delayed. See Section 3 for details.

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).

OpenCape remains behind its Baseline Projection of 16% for this quarter at approximately 10% in Overall Project progress. In addition, OpenCape's Federal expenditures are less than 3% of total federal budget at this time; however, the pace of progress increased significantly in the 4th Quarter as anticipated and projected.

OpenCape lags its Baseline Projection and federal expenditure pace for several reasons: 1) OpenCape pursued its grant with a construction contractor as a partner. After consultation with legal experts and the NTIA, OpenCape concluded that federal procurement regulations would not permit it to conclude a contract with this partner. Rather, OpenCape had to issue new RFPs for all aspects of construction of the network; 2) the process of obtaining a Finding of No Significant Impact was far longer than anticipated; 3) the process of negotiating the many legal contracts associated with the project has been far longer than anticipated; 4) though OpenCape has a partnership with Barnstable County to renovate the regional collocation center, a determination was made that the County must go through a lengthy RFP process under Chapter 30 of the Massachusetts General Laws; and 5) the process of negotiating Master Agreements with utility pole and conduit owners was far longer than anticipated.

OpenCape has successfully adjusted to items 1 through 5 in the previous paragraph and transitioned in a manner that will permit it to increase pace. Rather than moving forward with a single vendor selected through a pre-grant RFI process for the design, build and operation of the entire OpenCape system, a decision was made to break up the project into several logical RFPs. This has allowed OpenCape to award a contract for field survey, licensing and permitting, and engineering while it goes through the lengthy process of negotiating a design, build and operate contract with another vendor.

OpenCape has made the adjustment and is moving forward at a pace that will ensure on-time completion.

OpenCape address is incorrectly reported. Correct address is 3225 Main Street, Barnstable, MA 02630.

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	0	Due to requirement to issue new RFPs and select new contractors this item has been delayed. See Section 3 for details.
New network miles leased	0	N/A

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Existing network miles upgraded	0	N/A
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	0	Due to requirement to issue new RFPs and select new contractors this item has been delayed. See Section 3 for details.
Number of new wireless links	0	Baseline
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	Baseline

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	0
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 at this time.

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:

No services are yet being offered.

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).

OpenCape issued an RFP for a network operator in October, 2010, and selected a successful respondent in November, 2010. OpenCape is currently negotiating a contract with the successful respondent and expects to conclude a contract in February, 2011. The operator will be a contractor.

OpenCape will license the Operator to operate sixty percent (60%) of the total fiber optic strands (User Fibers) in both dark and lit services to fulfill the obligations of the grant award.

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	N/A
	Providers with signed agreements receiving improved access	0	N/A

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	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	0	N/A
Community Anchor Institutions (including Government institutions)	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
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
	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).

Discounts for non-profits and government entities.

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

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

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
N/A	N/A	N/A	N/A	N/A

Project Indicators (Next Quarter)

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

OpenCape's Field Survey, Licensing and Permitting, and Engineering contractor, UC/Synergetic, will complete all field survey and make significant headway in license applications for pole and conduit access. They will coordinate with OpenCape's environmental engineering contractor, Horsley Witten, and the Design, Build, and Operate contractor on the further refinement of the path and begin the engineering of the fiber plant.

OpenCape will have completed a contract with its Network Design and Build, and Network Operation contractor. The contractor will finalize all engineering and ramp up for construction to begin in Y1Q2.

OpenCape will have received a lease from Barnstable County to the Public Safety Building and will issue an RFP for its renovation.

OpenCape will continue its normal outreach to stake holders and community anchor institutions to include the planning of a regional summit on broadband.

OpenCape will resolve the overlap with OSHEAN, a round 2 BTOP recipient, along an eight mile overlap of fiber in the New Bedford, MA area.

OpenCape will work with the Barnstable County Regional Emergency Preparedness Committee 700Mhz Sub-Committee further progress the issue of organization and strategy to acquire a 700Mhz waiver from the FCC and acquiring a 700Mhz core.

Complete first agreements with water district and other tower owners for placement of radio and antenna equipment associated with its public safety microwave overlay.

Begin the formal permitting process with the Army Corps of Engineers for the directional bore under the Cape Cod Canal.

Complete all utility pole and conduit Master Agreements with regional pole owners. OpenCape will require at least seven such agreements with Verizon, NSTAR and NationalGrid.

Conclude an agreement with NSTAR to exploit the synergies of broadband and smart grid.

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	15	Due to requirement to issue new RFPs and select new contractors this item has been delayed. See Section 3 for details.
2b.	Environmental Assessment	100	N/A
2c.	Network Design	90	Due to requirement to issue new RFPs and select new contractors this item has been delayed. See Section 3 for details.
2d.	Rights of Way	35	Due to requirement to issue new RFPs and select new contractors this item has been delayed. See Section 3 for details.
2e.	Construction Permits and Other Approvals	35	Due to requirement to issue new RFPs and select new contractors this item has been delayed. See Section 3 for details.
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	5	Due to requirement to issue new RFPs and select new contractors this item has been delayed. See Section 3 for details.
2h.	Network Build (all components - owned, leased, IRU, etc.)	5	Due to requirement to issue new RFPs and select new contractors this item has been delayed. See Section 3 for details.
2i.	Equipment Deployment	0	N/A
2j.	Network Testing	0	N/A
2k.	Other (please specify):	90	Due to requirement to issue new RFPs and select new contractors this item has been delayed. See Section 3 for details.

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).

Y1Q4 progress has been very good. OpenCape anticipates forward progress to continue at this pace, but is always concerned about obstacles such as the failure to obtain Master Agreements with utilities, lack of capacity within the utilities to process license applications or perform make ready work at a pace that will ensure the on-time completion of the project. Thus far, the utilities are working cooperatively to try and ensure their most rapid response.

The permitting of the Cape Cod Canal directional bore with the Army Corps of Engineers is not progressing at a pace acceptable to OpenCape. We have ramped up our efforts in this regard to move this important element forward faster.

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	\$919,300	\$419,300	\$500,000	\$829,065	\$339,300	\$442,880	\$919,300	\$419,300	\$500,000
b. Land, structures, right-of-ways, appraisals, etc.	\$750,000	\$750,000	\$0	\$0	\$0	\$0	\$750,000	\$750,000	\$0
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
e. Other architectural and engineering fees	\$286,600	\$0	\$286,600	\$215,640	\$0	\$215,640	\$286,600	\$0	\$286,600
f. Project inspection fees	\$755,200	\$0	\$755,200	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$100,000	\$0	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$30,625,132	\$6,920,000	\$23,705,132	\$228,797	\$0	\$148,547	\$1,300,000	\$150,000	\$1,150,000
j. Equipment	\$6,725,161	\$0	\$6,725,161	\$4,555	\$0	\$4,555	\$0	\$0	\$0
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$40,161,393	\$8,089,300	\$32,072,093	\$1,278,057	\$339,300	\$811,622	\$3,255,900	\$1,319,300	\$1,936,600
m. Contingencies									
n. TOTALS (sum of l and m)	\$40,161,393	\$8,089,300	\$32,072,093	\$1,278,057	\$339,300	\$811,622	\$3,255,900	\$1,319,300	\$1,936,600

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: \$127,133

b. Program Income to Date: \$127,133