

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
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4. Recipient Organization

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

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 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): 11-25-2011
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Project Indicators (This Quarter)

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

- Received federal entity permits from USFS, BLM and Bureau of Reclamation.
- Held ceremonial ground breaking ceremony in Madras at the Community Anchor Institution of Central Oregon Community College.
- Finalized construction contracts and held pre-construction meetings.
- Third-party performed our one year audit and we had no areas of concern.

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	27	Based on dollars expended to date.
2b.	Environmental Assessment	100	Complete
2c.	Network Design	100	Complete
2d.	Rights of Way	98	We need to obtain one right of way access for a private industrial park. We anticipate by end of Jan 2012.
2e.	Construction Permits and Other Approvals	100	We have obtained all our construction and other permits.
2f.	Site Preparation	0	We have not begun construction. We will be 30% complete in Q1 2012.
2g.	Equipment Procurement	80	We have all our equipment and fiber. We are putting out RFPs for rebid for OTN and GePON technologies. We will award the two remaining equipment technology in Q4 and purchase in Q12012.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	Construction has not begun yet. We will be 30% complete in Q1 2012.
2i.	Equipment Deployment	0	Construction has not begun yet. We will be 30% complete in Q1 2012.
2j.	Network Testing	0	Construction has not begun yet. We will be 30% complete in Q1 2012.
2k.	Other (please specify): NA	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).

- * Time to receive federal permits was longer than anticipated.
- * Re-issued construction Request For Proposals (RFPs) due to underground mileage changes.
- * Re-issuing (2) technology RFPs due to change in requirements.

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	Construction has not begun yet. We anticipate to be 30% complete in Q1 2012; 67% in Q2 2012.
New network miles leased	0	NA
Existing network miles upgraded	0	Construction has not begun yet. We anticipate to be 30% complete in Q1 2012; 67% in Q2 2012.
Existing network miles leased	0	NA

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Number of miles of new fiber (aerial or underground)	0	Construction has not begun yet. We anticipate to be 30% complete in Q1 2012; 67% in Q2 2012.
Number of new wireless links	0	NA
Number of new towers	0	NA
Number of new and/or upgraded interconnection points	0	Construction has not begun yet. We anticipate to be 30% complete in Q1 2012; 67% in Q2 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	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: None 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). NA - we will operate the network.

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	We will begin construction Q4 of 2011.
	Providers with signed agreements receiving improved access	0	We will begin construction Q4 of 2011.
	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	We will begin construction Q4 of 2011.
Community Anchor Institutions (including	Total subscribers served	0	We will begin construction Q4 of 2011.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Government institutions)			
	Subscribers receiving new access	0	We will begin construction Q4 of 2011.
	Subscribers receiving improved access	0	We will begin construction Q4 of 2011.
	Please identify the speed tiers that are available and the number or subscribers for each	0	We will begin construction Q4 of 2011.
Residential / Households	Entities passed	0	NA - middle mile project
	Total subscribers served	0	NA - middle mile project
	Subscribers receiving new access	0	NA - middle mile project
	Subscribers receiving improved access	0	NA - middle mile project
	Please identify the speed tiers that are available and the number of subscribers for each	0	NA - middle mile project
Businesses	Entities passed	0	We will begin construction Q4 of 2011.
	Total subscribers served	0	We will begin construction Q4 of 2011.
	Subscribers receiving new access	0	We will begin construction Q4 of 2011.
	Subscribers receiving improved access	0	We will begin construction Q4 of 2011.
	Please identify the speed tiers that are available and the number of subscribers for each	0	We will begin construction Q4 of 2011.

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 contract

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).
-We will start construction on five out of five routes.

-We anticipate to complete the Sunriver to Spring Butte route.
 -We will resubmit two technology Request for Proposal to award in January
 -New network miles deployed - 29.83
 -New network miles leased - NA
 -Total CAI subscribers served (CAIs connected) - 0
 -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	40	Based on projected dollars expended.
2b.	Environmental Assessment	100	Complete
2c.	Network Design	100	Complete
2d.	Rights of Way	98	One more ROW to receive from private entity for site that will be built in 2012. Anticipate completing by January 2012.
2e.	Construction Permits and Other Approvals	100	Complete
2f.	Site Preparation	0	We estimate that we'll be 30% complete with construction in Q1 2012.
2g.	Equipment Procurement	80	We will award the two remaining equipment technology in Q4 and purchase in Q12012.
2h.	Network Build (all components - owned, leased, IRU, etc.)	20	We will start all our main legs by 12/1/2011. We will be back on track with our baseline in Q2 2012.
2i.	Equipment Deployment	0	Will start in Q2 2012 and complete in Q3 2012.
2j.	Network Testing	0	The routes will not be complete until 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).

- *Heavy snow could delay two out of our five routes.
- *Construction for all routes will be approximately one month complete by end of December.
- *We are currently one quarter behind our original baseline.

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	\$349,700	\$104,910	\$244,790	\$141,842	\$42,553	\$99,289	\$214,422	\$64,327	\$150,095
b. Land, structures, right-of-ways, appraisals, etc.	\$121,855	\$36,557	\$85,298	\$71,155	\$21,347	\$49,809	\$100,740	\$30,222	\$70,518
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	\$49,473	\$14,842	\$34,631	\$62,308	\$18,692	\$43,616
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	\$0	\$0	\$0	\$735,015	\$220,505	\$514,510
j. Equipment	\$1,856,242	\$556,873	\$1,299,369	\$1,417,685	\$425,306	\$992,379	\$1,842,991	\$425,306	\$1,417,685
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	\$1,680,155	\$504,048	\$1,176,108	\$2,955,476	\$759,052	\$2,196,424
m. Contingencies									
n. TOTALS (sum of l and m)	\$6,312,522	\$1,893,757	\$4,418,765	\$1,680,155	\$504,048	\$1,176,108	\$2,955,476	\$759,052	\$2,196,424

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