

**QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS**

**General Information**

<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b>  Department of Commerce, National Telecommunications and Information Administration	<b>2. Award Identification Number</b>  NT10BIX5570098	<b>3. DUNS Number</b>  831438424
--	---	--

**4. Recipient Organization**

California Broadband Cooperative, Inc. 1101 Nimitz Ave, Vallejo, CA 94592-1014

<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  03-31-2012	<b>6. Is this the last Report of the Award Period?</b>  <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.

<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Robert Volker	<b>7c. Telephone (area code, number and extension)</b>  X
	<b>7d. Email Address</b>  Rvolker@digital395.com

<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  05-29-2012
---	--

**Project Indicators (This Quarter)**

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

Grants Administration

- Submitted Quarterly and Annual Reports
- Submitted Performance Improvement Plan
- Prepared all California Public Utilities Commission Financial Documents for Matching Funds Disbursement
- Initiated first meetings with vendor for Sub-Recipient Monitoring
- Conducted Quarterly California Broadband Cooperative Board Meeting

Legal and Regulatory

- Established State Policy treating Proscriptive Easements to include Fiber Optic cable
- Obtained Nevada 401 Water Quality Certification
- Acquired Carson City, Douglas & Washoe County Waterway Permit
- Acquired Waste Discharge ID for State Storm Water Permit in CA
- Biological Opinion issued by United States Fish & Wildlife
- Obtained San Bernardino County Flood Control District Permit
- Finalized node building permit applications

Network Planning and Engineering

- Integrated Environmentally Sensitive Areas into Engineering Design
- Engineered laterals for Ridgecrest, Mammoth, Bishop and Bridgeport
- Node Site Engineering Complete
- Node Powering and Equipment Designs Completed

Environmental Assessment and Permits

- Three additional signatories added to Programmatic Agreement
- Completed Plant Protocol for Bureau of Land Management, United States Forest Service and California Department of Fish and Game
- Segment Report Groups 0-2 circulated for review by agencies
- Obtained Nevada 401 Water Quality Certification
- Acquired Carson City, Douglas & Washoe County Waterway Permit
- Acquired Waste Discharge ID for State Storm Water Permit in CA
- Biological Opinion issued by United States Fish & Wildlife
- Obtained San Bernardino County Flood Control District Permit
- Obtained NV Dept of Environmental Protection Permit
- Initiated Negotiations with CA Water Boards and Dept of Fish and Game
- Permits issued by US Army Corps of Engineers
- Decision Documents drafted for United States Forest Service and Bureau of Land Management
- Final Environmental Assessment Draft submitted to National Telecommunications and Information Administration

Project Management

- Implemented Project Database
- Release Pre-Construction Public Notices
- Contractor Project Conference conducted
- Finalized Methods & Procedures for Inspectors and Monitors
- Logistics and resources identified and in place for materials deployment
- Finalized Construction Project Schedule

Rights of Way / Licenses

- American Recovery and Reinvestment Act Sign Approval by NV Department of Transportation
- Bureau of Indian Affairs: Notified, Surveyed, and obtained approval for NV allotments – issued 600 letters
- Bureau of Indian Affairs:: Submitted Legal definitions and surveys for CA tribal agreements
- Sent Resolution packages to all 7 tribes; obtained for Bridgeport and Lone Pine
- Encroachment Permits for NV Department of Transportation and Caltrans technical reviews complete.
- LA Department of Water & Power: Obtained Grants Right-of-Entry
- Acquired Encroachment Permits and Master Agreements for Mono, Inyo, San Bernardino and Kern Counties
- Submitted Encroachment Permits with Douglas and Carson Counties (NV)
- Acquired San Bernardino County Flood Control Encroachment Permit
- Acquired Encroachment Permits for Cities of Barstow, Mammoth,
- Private Permits or Right of Way acquired for Bently, Peri, and Mason Properties (complete)
- Acquired all 4 Crossing Agreements
- CA State Lands Commission Lease Agreement Fully Executed

- NV State Lands Commission applied and expedited
- Zayo Group Conduit Use Agreement Fully Executed

Procurement

- Contracts awarded for Underground Construction of Backbone
- Node Request for Proposal Awarded
- 165 trench miles of Conduit received
- 104 Concrete vaults received
- 117 miles of 432 fiber received
- Request for Qualifications for electronics issued
- Construction Vehicle Request for Proposal Issued and Awarded
- Monitoring and Mitigation Contract Awarded (AECOM)
- Sub-Recipient Monitoring Contract Awarded (IFC)

**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	19	39% Variance - As reported last quarter we are successful acquiring project resources , e.g. materials, personnel and equipment but inhibited by the Finding of No Significant Impact/National Environmental Policy Act process still underway during the quarter, preventing significant physical process and spending.
2b.	Environmental Assessment	95	5% variance - Several Mitigation Monitoring & Reporting Plan revisions conducted, US Fish and Wildlife Service Biological Opinion delayed until March 1. Programmatic Agreement Segment Reporting Processes resolved. Initial Segment Reports released for review by Agencies. Added more resources to assist in final efforts to complete Environmental Assessment and prepare Monitoring Plan.
2c.	Network Design	88	Ahead by 14% - Backbone cable design complete, (3) segments being revised due to closure on conduit arrangements, distribution engineering 70% complete, construction distribution Request for Proposal pending and 85% of anchor site surveys completed.
2d.	Rights of Way	97	3% variance - private Right of Way issues resolved, Bureau of Indian Affairs and Tribal issues still pending. Waiting for Finding of No Significant Impact so that United States Forest Service and Bureau of Land Management can issue Licenses. Complete agreements with Counties, LA Department of Water and Power, Navy, and State Lands Commission.
2e.	Construction Permits and Other Approvals	75	25% Variance - Agency reviews of permit applications under way, requiring additional details and information requests. Most permits are expected in April.
2f.	Site Preparation	35	65% variance - All architectural drawings and site engineering complete. Decision made to do site preparation in house. No construction work has commenced due to lack of Finding of No Significant Impact.
2g.	Equipment Procurement	65	Ahead by 1% -. Equipment Request for Proposals issued, vendors responded, awards pending. All materials (conduit, vaults and cable) arriving per schedule.
2h.	Network Build (all components - owned, leased, IRU, etc)	10	42% Variance - Project start pending Finding of No Significant Impact, and various California Agency Permits.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2i.	Equipment Deployment	20	36% variance - tools, equipment, motor vehicles and project materials continue to be accrued for project start. Fiber electronics not deployed due to delays in Finding of No Significant Impact, node construction and site preparation.
2j.	Network Testing	0	15% variance - Construction not started.
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).

Persistent delays in obtaining permits from State and Federal agencies have delayed the Finding of No Significant Impact and approval of Programmatic Agreement Segments Reports. Underground contractor firms are being impacted by a continued delay in the project start date. Project readiness evaluations have tested our ability to start with little issues identified. BTOP staff has been working extensively with us and agencies to get permits approved.

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	Variance of 180 miles from Baseline plan, This is due to the extended time for getting the Finding of No Significant Impact and other environmental clearance, therefore we cannot start construction
New network miles leased	0	NA
Existing network miles upgraded	0	NA
Existing network miles leased	0	No Variance
Number of miles of new fiber (aerial or underground)	0	Variance of 180 miles from Baseline plan, This is due to the extended time for getting the Finding of No Significant Impact and other environmental clearance, therefore we cannot start construction
Number of new wireless links	0	NA
Number of new towers	0	Variance 15, Construction not started
Number of new and/or upgraded interconnection points	0	No Variance

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	1
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	12
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:

ZAYO Group, LLC.

ZAYO Group has purchased wholesale middle mile dark fiber from us between Reno and Barstow.

**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:**

Presently wholesale services are not being provided, construction not started

**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 this third party operates (600 words or less).**

Inyo Networks is presently selected as contractor who will operate entire network its upon completion.

Michael Ort - Chief Executive Officer

1101 Nimitz Avenue  
Vallejo, CA 94592-1014  
Phone (510) 599-4062

**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 Variance, Construction Not Started
	Providers with signed agreements receiving improved access	0	No Variance, Construction Not Started
	Providers with signed agreements receiving access to dark fiber	0	No Variance, Construction Not Started
	Please identify the speed tiers that are available and the number of subscribers for each	0	No Variance, Construction Not Started
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Variance 3, Construction Not Started
	Subscribers receiving new access	0	Variance 1, Construction Not Started
	Subscribers receiving improved access	0	Variance 2, Construction Not Started
	Please identify the speed tiers that are available and the number or subscribers for each	0	Construction Not Started
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

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	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).

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	NONE	NONE	NONE	NONE

Project Indicators (Next Quarter)

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

It is our expectation that the Finding of No Significant Impact, associated Cultural Programmatic Agreement Segment Reports and remaining outstanding permits will all be secured allowing for project construction to start. Underground conduit placement will start in three contractor bid segments, node site construction work will start and be completed. A distribution construction Request for Proposal will be awarded in addition to the Electronic Equipment award. All Anchor site pre-surveys will have been completed and a list of final anchors to be provisioned will have been finalized. We will not deploy any miles of fiber and will not connect any community anchor institutions. We plan on signing one broadband wholesaler/last mile provider agreement.

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	49	26% Variance - delays in Federal and State permits.
2b.	Environmental Assessment	97	Under-run by 3% - Mitigation Monitoring & Reporting Plan, Finding of No Significant Impact and initial Programmatic Agreement Segment Reports will have been issued. Half of the Programmatic Agreement Segment Reports will have been reviewed and approved according to the NTIA schedule.
2c.	Network Design	90	Exceed baseline by 5%, all back bone work drawings to be complete, distribution work drawings will be 90% complete, network electronic architecture design will be 85% complete, all anchor surveys will be completed, and 35% of anchor contracts will be secured.
2d.	Rights of Way	100	No variance - All Right of Ways secured.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2e.	Construction Permits and Other Approvals	100	No variance - all permits secured
2f.	Site Preparation	70	30% variance - all but (5) node sites will have been completed. The remaining (5) are scheduled for completion in July 2012
2g.	Equipment Procurement	90	Ahead by 12% - Project equipment secured with exception of NOC equipment and billing systems.
2h.	Network Build (all components - owned, leased, IRU, etc.)	20	55% Variance - Conduit placement underway in all (5) contractor bid zones, most all Node will enclosures installed, some cable placement commencing.
2i.	Equipment Deployment	35	39% Variance - Delay in project start will not permit placement of transmission electronics until 7/2012.
2j.	Network Testing	0	25% variance - Delayed project start has pushed splicing into end of 3rd and 4th quarter respectively.
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).**

Principle challenge for the quarter will be to close on the Finding of No Significant Impact and obtaining agreement with agencies on procedural issues relating to the Programmatic Agreement. Once construction begins, the coordination of all the environmental monitoring along the project in such a way that we comply and protect the public lands while meeting our delayed project schedule.

**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	\$15,109,345	\$3,021,870	\$12,087,475	\$4,822,682	\$0	\$4,822,682	\$8,295,003	\$1,206,432	\$7,088,571
b. Land, structures, right-of-ways, appraisals, etc.	\$2,285,826	\$457,166	\$1,828,660	\$56,598	\$0	\$56,598	\$2,087,728	\$303,520	\$1,784,208
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$3,006,194	\$601,239	\$2,404,955	\$2,147,561	\$0	\$2,147,561	\$2,664,740	\$387,408	\$2,277,332
e. Other architectural and engineering fees	\$2,906,663	\$581,333	\$2,325,330	\$3,981,764	\$0	\$3,981,764	\$5,185,503	\$753,884	\$4,431,619
f. Project inspection fees	\$164,635	\$32,927	\$131,708	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$314,813	\$62,963	\$251,850	\$3,300	\$0	\$3,300	\$3,300	\$0	\$3,300
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$69,013,409	\$13,802,688	\$55,210,721	\$7,373,202	\$0	\$7,373,202	\$24,675,637	\$3,587,415	\$21,088,222
j. Equipment	\$8,573,312	\$1,714,663	\$6,858,649	\$1,008,050	\$0	\$1,008,050	\$6,612,476	\$961,341	\$5,651,135
k. Miscellaneous	\$61,800	\$12,360	\$49,440	\$0	\$0	\$0	\$0	\$0	\$0
<b>l. SUBTOTAL (add a through k)</b>	\$101,435,997	\$20,287,209	\$81,148,788	\$19,393,157	\$0	\$19,393,157	\$49,524,387	\$7,200,000	\$42,324,387
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>n. TOTALS (sum of l and m)</b>	\$101,435,997	\$20,287,209	\$81,148,788	\$19,393,157	\$0	\$19,393,157	\$49,524,387	\$7,200,000	\$42,324,387

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