

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 NT10BIX5570098	3. DUNS Number 831438424
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4. Recipient Organization California Broadband Cooperative, Inc. 1101 Nimitz Ave, Vallejo, CA 94592-1014
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5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2012	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 Robert Volker	7c. Telephone (area code, number and extension) X
	7d. Email Address Rvolker@digital395.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-28-2012
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Project Indicators (This Quarter)

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

Legal and Regulatory

- Re-negotiated CalTrans District 8 Master Services Agreement
- Signed conduit attachment agreement with Nevada Energy
- Negotiated Rights of Way for the City of Ridgecrest
- Signed interconnection agreements with Level 3 Communications

Network Planning and Engineering

- Submitted Underground Service Alert application
- Engineering completed for all Community Anchor Institutions
- Completed engineering for all distribution areas

Environmental Assessment

- Programmatic Agreement Segment Groups 0 to 4 approved
- Master Cultural Resources Report Approved by NTIA and Signatories

Rights of Way

- Progressive CalTrans permits acquired concurrent with Programmatic Agreement Cultural Segment approvals
- Obtained Douglas County Right of Way Agreement
- Obtained Carson City Right of Way Agreement
- Obtained Rights of Way from Seven Tribal Lands
- Obtained Rights of Way from Naval Air Weapons Station, China Lake

Permits

- All permits received other than ongoing encroachment/building permits from Department of Transportation in Nevada and California
- Humboldt Toiyabe National Forest, Inyo National Forest, Bureau of Land Management of Bishop, CalTrans District 8 and 9, San Bernardino Flood Control, City of Barstow, Mono County pre-construction meetings completed
- Submitted permit applications for all nodes; obtained permits for seven nodes

Tribal Monitoring

- Tribal Monitoring Plan finalized and implemented
- Eight Tribal Monitors hired as Contractors from the Washoe and Bridgeport Tribes
- Began Tribal monitoring of Construction Operations in Mono County
- Initiated over 400 allotment owners for Rights of Way through Washoe Allotment properties

Procurement

- Received all project backbone cable, 368 miles of conduit and 469 vaults
- Receive 50% of node electronics from vendor

Construction

- Notice to Proceed issued to (3) sub-contractors for underground construction (Zayo, RBC and Westech)
- Notice to Proceed issued to RADCO for Node Construction
- Notice to Proceed issued to AECOM for construction monitoring
- 44 trench-miles (9%) of the backbone 484 miles of conduit placed
- American Recovery and Reinvestment Act signs are placed along route in approved Programmatic Agreement Segments
- Zayo began placing and splicing fiber cable in segment N101, completing 10 miles
- Node construction began in Reno, Carson, Coleville, and Bridgeport

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	37	(53% Variance) Section 106 approval and execution of the Programmatic Agreement schedule delayed initiation of construction.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2b.	Environmental Assessment	97	(3% Variance) Programmatic Group Segment approvals needed from Groups 5, 6, 7, 8, 9, and 10.
2c.	Network Design	92	(5% Variance) Working drawings for distribution to be finalized, as well as Community Anchor Institutions and Points of Interconnection designs.
2d.	Rights of Way	99	(1% Variance) Tribal allotments in Nevada are to be finalized and issued by the Bureau of Indian Affairs.
2e.	Construction Permits and Other Approvals	90	(10% Variance) Awaiting encroachment/building permits as Programmatic Agreement approvals commence.
2f.	Site Preparation	50	(50% Variance) Node site preparation for 6 sites awaiting
2g.	Equipment Procurement	92	No Variance
2h.	Network Build (all components - owned, leased, IRU, etc)	20	(73% Variance) Conduit construction and nodes aggressively began in August, when Section 106 permission was obtained. Project is about 120 days late beginning.
2i.	Equipment Deployment	40	(52% Variance) Once node construction is finalized in approved segments, the equipment will be deployed.
2j.	Network Testing	0	(41% Variance) Insufficient cable and equipment placed for testing.
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).

The Programmatic Agreement continues to slowly drive the obtainment of encroachment permits and the underground construction schedule with winter weather and deep snow approaching rapidly. Once Group Segment 5 is released, underground construction will drive the schedule and fiber will be placed continuously.

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	10	(Variance of 368 miles) Programmatic Agreement approvals are impacting the construction schedule.
New network miles leased	0	N/A
Existing network miles upgraded	0	N/A
Existing network miles leased	0	No variance
Number of miles of new fiber (aerial or underground)	10	(Variance of 368) Programmatic Agreement approvals are impacting the construction schedule. The fiber installed is in existing conduit.
Number of new wireless links	0	N/A
Number of new towers	0	(Variance of 15) Programmatic Agreement approvals are impacting the construction schedule. We will be removing all new towers as the result of feedback from interested parties during the 30 day comment period of the Environmental Assessment Process (NEPA and CEQA)
Number of new and/or upgraded interconnection points	0	(Variance of 18) Programmatic Agreement approvals are impacting the construction schedule.

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	4
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. - Purchased wholesale middle mile dark fiber between Reno and Barstow.
 Level 3 - Signed interconnection agreement for collocation and peering for Barstow and Reno.
 AT&T Nevada – Signed interconnection agreement for NV.
 Verizon California – Signed interconnection agreement for CA.

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.

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).
 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	Variance of 1; construction just started.
	Providers with signed agreements receiving improved access	0	Variance of 2; construction just started.
	Providers with signed agreements receiving access to dark fiber	0	Variance of 1; construction just started.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Construction just started
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Variance of 128; construction just started.
	Subscribers receiving new access	0	Variance of 28; construction just started.
	Subscribers receiving improved access	0	Variance of 100; construction just started.
	Please identify the speed tiers that are available and the number or subscribers for each	0	Construction just started
Residential / Households	Entities passed	0	NA

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	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).

N/A

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

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

N/A

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 to have Programmatic Agreement Segment approval for Groups 5-8; allowing for remaining outstanding permits to be secured and for project construction to continue.

- Underground conduit placement will continue in five contractor bid segments.
- All but two node sites will be completed (the remaining are held up due to Section 106 schedule).
- Distribution RFPs will be awarded.
- All Anchor access agreements will be approved.
- 160 miles of fiber will be deployed and will connect 10 community anchor institutions.
- Two network spans (between nodes) will be connected and tested.
- We anticipate signing one new broadband wholesaler/last mile provider agreement with Suddenlink consisting of 10G wave and dark fiber. This will produce \$30,000 in monthly reoccurring and \$500,000 in IRU's

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	63	(32% Variance) Delays due to the Programmatic Agreement
2b.	Environmental Assessment	98	(2% Variance) Programmatic Agreement Segment Groups 9 and 10 will not be approved until the first quarter of 2013.
2c.	Network Design	95	No Variance
2d.	Rights of Way	100	No Variance
2e.	Construction Permits and Other Approvals	95	(5% Variance) Programmatic Agreement Segment Groups 9 and 10 and associated Encroachment Permits will not be approved until the first quarter of 2013. Bureau of Indian Affairs will rule on Nevada Allotments.
2f.	Site Preparation	80	(20% Variance) All node sites will be prepared, except for three nodes in areas not approved under Programmatic Agreement.
2g.	Equipment Procurement	97	No Variance
2h.	Network Build (all components - owned, leased, IRU, etc.)	30	(67% Variance) 40% of the backbone construction will be completed, 5% of anchors connected, and 5% of distribution conduit and cable will be deployed.
2i.	Equipment Deployment	60	(38% Variance) Electronic equipment will be deployed and tested to seven of 11 nodes, including end-nodes (Reno and Barstow)
2j.	Network Testing	30	(40% Variance) Testing for 2 node spans will be completed in Mono County.
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).

The principle challenge for the fourth quarter will be finalizing studies for the Programmatic Agreements, finalizing tribal agreements, and obtaining permission for Route changes from the NTIA. Snowfall will impede construction and cable placement in high altitudes in the Northern route in Mono and Douglas Counties. NTIA is aware of the Programmatic Agreement and Tribal issues and working with CBC on approvals.

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	\$7,364,717	\$352,204	\$7,012,513	\$10,174,341	\$1,045,914	\$9,128,427
b. Land, structures, right-of-ways, appraisals, etc.	\$2,285,826	\$457,166	\$1,828,660	\$1,101,620	\$508,809	\$592,811	\$1,970,597	\$600,000	\$1,370,597
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	\$3,344,057	\$33,358	\$3,310,699	\$3,578,718	\$268,019	\$3,310,699
e. Other architectural and engineering fees	\$2,906,663	\$581,333	\$2,325,330	\$4,419,970	\$377,282	\$4,042,688	\$5,557,749	\$671,204	\$4,886,545
f. Project inspection fees	\$164,635	\$32,927	\$131,708	\$65,130	\$65,130	\$0	\$348,481	\$66,000	\$282,481
g. Site work	\$314,813	\$62,963	\$251,850	\$28,850	\$0	\$28,850	\$734,540	\$75,510	\$659,030
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$69,013,409	\$13,802,688	\$55,210,721	\$17,539,985	\$100,241	\$17,439,744	\$34,228,438	\$3,518,660	\$30,709,778
j. Equipment	\$8,573,312	\$1,714,663	\$6,858,649	\$3,182,393	\$32,196	\$3,150,197	\$6,371,092	\$654,944	\$5,716,148
k. Miscellaneous	\$61,800	\$12,360	\$49,440	\$3,753	\$0	\$3,753	\$95,953	\$9,864	\$86,089
l. SUBTOTAL (add a through k)	\$101,435,997	\$20,287,209	\$81,148,788	\$37,050,475	\$1,469,220	\$35,581,255	\$63,059,909	\$6,910,115	\$56,149,794
m. Contingencies									
n. TOTALS (sum of l and m)	\$101,435,997	\$20,287,209	\$81,148,788	\$37,050,475	\$1,469,220	\$35,581,255	\$63,059,909	\$6,910,115	\$56,149,794

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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