

**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
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<b>4. Recipient Organization</b>  California Broadband Cooperative, Inc. 1101 Nimitz Ave, Vallejo, CA 94592-1014
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<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  12-31-2012	<b>6. Is this the last Report of the Award Period?</b>  <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.

<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>  02-27-2013
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**Project Indicators (This Quarter)**

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

Environmental:

- Programmatic Agreement Segment Group 5 approved and 4 out of 7 approved in Group Segment 6
- Tribal Monitors hired from Big Pine, Bishop, Benton, Lone Pine and Independence Tribes
- Tribal monitoring requirements completed on 27 segments
- Extensive monitoring of Desert Tortoise and Mojave Ground Squirrel habitat during construction

Rights of Way

- Implemented and completed Bureau of Indian Affairs process for Rights-of-Way approvals on Washoe Allotments and tribal lands held in trust
- Rights of Way approved by all California Tribes
- Ten Caltrans and two Nevada Department of Transportation segment permits acquired
- Town of Mammoth Lake & Nevada State Lands Commission Permits acquired
- Mono County License Agreement amended, licenses submitted for Inyo and Kern Counties
- Rights of Way acquired for Southern California Edison, China Lake and Edwards Air Force Base

Contract Administration:

- Request for Proposal awarded for Distribution conduit
- \$.5.5 Millions in invoices processed for underground construction and environmental studies

Engineering:

- Reissued all engineering drawing to include Environmentally Sensitive Areas to meet programmatic agreement requirements
- Completed fiber optic allocations plans for backbone, distribution and anchors
- Produced working drawing for 50% of fiber cable plant

Materials and Logistics:

- Established new logistics center in Coso in preparation for shut down of Kramer Junction depot
- Instituted monthly inventory of materials against project documentation and database

Construction:

- 163 miles or 34% of the backbone conduit installed
- 109 miles of fiber cable installed of those, 99 miles are spliced and tested.
- 13 segments completed
- Construction started in Nevada
- Conduit constructed on the China Lake Naval Base
- Four American Recovery & Reinvestment Act signs installed on California route Five nodes sites completely constructed
- Electronics received for backbone system

**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	46	49% Variance - Due to delayed permit and winter conditions. This gap will be closed rapidly Q1 2013.
2b.	Environmental Assessment	98	2% Variance - Due to final approval of Segment Groups 8 through 10, and three remaining on Group Segment 6. All are currently planned to finalize in current quarter
2c.	Network Design	95	No Variance - Final anchor designs underway
2d.	Rights of Way	99	1% Variance - Tribal agreements in place, waiting for final Bureau of Indian Affairs documentation, to be attained in February
2e.	Construction Permits and Other Approvals	95	5% Variance - Still need 19 Caltrans Encroachment permits, City of Ridgecrest, and Bishop. Caltrans permits dependent on Programmatic Agreement Group Segment approvals. City permits in progress.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2f.	Site Preparation	50	50% Variance - Waiting for Programmatic Agreement approvals for 4 node sites, and City of Barstow building permit
2g.	Equipment Procurement	98	Ahead by 1% - Waiting on last requirements as construction enters final phase to avoid excess inventory.
2h.	Network Build (all components - owned, leased, IRU, etc)	35	62% Variance - Cable and conduit in 33% of the backbone, 50% nodes, no distribution and anchors yet completed. Fourth Quarter presented weather and holiday setbacks. Most work completed were in challenging areas.
2i.	Equipment Deployment	45	53% Variance - Due to holdup of electronics deployment. Have installed alarms and other supporting gear in nodes. Validating electronics and OSS integration before deploying fiber gear.
2j.	Network Testing	30	40% Variance - Have tested 99 miles of fiber, and 50% of environmental support equipment in 5 nodes.
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).

Considerable delays in project due to extended period of Programmatic Agreement reviews and agency challenges to project schedule due to internal priorities. Fourth Quarter presented weather impacts on productivity due to high altitude construction during sub-zero weather resulting from late permits. The NTIA has been working with us on these issues and are aware of these challenges.

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	109	Variance of 391 miles from Baseline Plane due to permit delays
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)	109	Variance of 391miles from Baseline Plane due to permit delays
Number of new wireless links	0	NA
Number of new towers	0	Variance of 15 towers -We will be removing all new towers from project due to Stakeholder concerns during the Environmental Assessment
Number of new and/or upgraded interconnection points	0	Variance of 36 due to no Anchor or Point of Interconnections completed. This work will begin in February.

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	5
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	11
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.  
 Suddenlink - Signed agreement for dark fiber  
 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 California

**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 this third party operates (600 words or less).**  
 We were directed by the CBC Board of Directors to establish a greater degree of separation from Inyo Networks as a last mile service provider who could potentially be purchasing wholesale services from CBC. The board felt there could be potential perceived conflict of interest of having Inyo Network manage CBC operation and being a competitor for other last mile providers. As a result the sub recipient agreement has been revised with regards to the entity managing the CBC network therefore,Praxis Associates is presently designated as the vendor 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)
<b>Broadband Wholesalers or Last Mile Providers</b>	Providers with signed agreements receiving new access	3	Ahead by 1 - Laterals and anchor connections not complete. End point interconnections have not completed. No operational bandwidth is in service.
	Providers with signed agreements receiving improved access	0	Variance of 2 - Laterals and anchor connections not complete. End point interconnections have not completed. No operational bandwidth is in service.
	Providers with signed agreements receiving access to dark fiber	2	Ahead by 1 - Laterals and anchor connections not complete. End point interconnections have not completed. No operational bandwidth is in service.
	Please identify the speed tiers that are available and the number of subscribers for each	0	No services are currently being offered.
<b>Community Anchor Institutions (including Government institutions)</b>	Total subscribers served	0	Variance of 175 - Laterals and anchor connections not complete. End point interconnections have not completed. No operational bandwidth is in service.
	Subscribers receiving new access	0	Variance of 45 - Laterals and anchor connections not complete. End point interconnections have not completed. No operational bandwidth is in service.
	Subscribers receiving improved access	0	Variance of 130 - Laterals and anchor connections not complete. End point interconnections have not completed. No operational bandwidth is in service.
	Please identify the speed tiers that are available and the number or subscribers for each	0	No services are currently being offered.
<b>Residential / Households</b>	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
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).**

Active Ethernet, dark fiber, 10Gbps and wavelength.

**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).**

Environmental:

- Complete remaining Programmatic Agreement
- Complete tribal monitoring plan
- Obtain permission from NTIA for reroute changes
- Finalize CEQA approval for route changes

Rights of Way:

- Obtain final ROW Approval from BIA for Nevada Tribal lands
- Finalize license agreements in the towns of Bishop, Ridgecrest and Mammoth
- Finalize county Licenses/ROW in Mono, Inyo and Kern Counties
- Complete remaining private ROW

Contract Administration:

- Realign major contract awards for Mono County
- Complete final negotiations on electronics
- Finalize contracts for all distribution and Anchor work
- Submit CAI and POI change request AAR to NTIA

Engineering

- All engineering designs for anchors and POI's complete
- Complete engineering designs for small communities

Materials and Logistics:

- Complete final purchases of distribution materials
- Redeploy cable closer to work operations
- Close Kramer Jct depot and deactivate Gardnerville depot

Construction:

- Construct and test conduit and cable from red mountain to Coso Jct,
- Construct and test cable from Garnerville to Carson City
- Complete construction of Bishop, Barstow and Ridgecrest nodes
- Complete BB route conduit installation between Bishop and Lone Pine
- Begin site prep for Olancha Node
- Install and test electronics in available nodes
- Complete and test conduit and cable installation from Bridgeport to June Lake
- Complete distribution and anchor network in Ridgecrest.
- We plan to deploy 225 miles of fiber
- We plan to connect 25 anchors
- We will have 3 broadband wholesaler/last mile provider agreements signed

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	72	25% Variance - Due to delayed permits and winter conditions. We will continue to close gap
2b.	Environmental Assessment	100	No Variance
2c.	Network Design	99	No Variance
2d.	Rights of Way	100	No Variance
2e.	Construction Permits and Other Approvals	100	No Variance
2f.	Site Preparation	85	15% under run of target, due to final construction of the Olancha and Independence Nodes sites
2g.	Equipment Procurement	98	Ahead 1% - Due to acquisition of distribution cable in Q4 2012
2h.	Network Build (all components - owned, leased, IRU, etc.)	60	40% Variance - All but three nodes will be completed. 75% of backbone to be completed, Ridgecrest distribution to be completed, and connection of 25 anchors and points of interconnection will be complete.
2i.	Equipment Deployment	75	24% Variance - Due to electronics not deployed in four nodes
2j.	Network Testing	60	25% Variance - Due to inability to end to end test backbone and select portions of the distribution system cable.
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).

Permit delays and winter work will not be lifted until the March timeframe. This impacts the project both in the Southern portion (permits) and in the northern section (Mono County and Nevada, due to winter.). NTIA is already assisting in permits. Once these impediments are lifted, our contractors and work crews will operate at full capacity.

**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	\$8,621,554	\$1,049,511	\$7,572,043	\$9,778,030	\$1,429,202	\$8,348,828
b. Land, structures, right-of-ways, appraisals, etc.	\$2,285,826	\$457,166	\$1,828,660	\$1,780,676	\$558,509	\$1,222,167	\$1,781,245	\$558,509	\$1,222,736
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	\$3,664,860	\$173,337	\$3,491,523	\$3,954,949	\$400,000	\$3,554,949
e. Other architectural and engineering fees	\$2,906,663	\$581,333	\$2,325,330	\$5,491,185	\$1,292,902	\$4,198,283	\$7,282,089	\$1,450,000	\$5,832,089
f. Project inspection fees	\$164,635	\$32,927	\$131,708	\$288,790	\$173,375	\$115,415	\$581,347	\$175,000	\$406,347
g. Site work	\$314,813	\$62,963	\$251,850	\$537,173	\$222,312	\$314,861	\$754,927	\$250,000	\$504,927
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$69,013,409	\$13,802,688	\$55,210,721	\$22,683,418	\$2,257,744	\$20,425,674	\$43,614,731	\$5,639,548	\$37,975,183
j. Equipment	\$8,573,312	\$1,714,663	\$6,858,649	\$3,521,288	\$306,094	\$3,215,194	\$4,729,325	\$691,260	\$4,038,065
k. Miscellaneous	\$61,800	\$12,360	\$49,440	\$3,753	\$0	\$3,753	\$100,477	\$14,686	\$85,791
<b>l. SUBTOTAL (add a through k)</b>	\$101,435,997	\$20,287,209	\$81,148,788	\$46,592,697	\$6,033,784	\$40,558,913	\$72,577,120	\$10,608,205	\$61,968,915
m. Contingencies									
<b>n. TOTALS (sum of l and m)</b>	\$101,435,997	\$20,287,209	\$81,148,788	\$46,592,697	\$6,033,784	\$40,558,913	\$72,577,120	\$10,608,205	\$61,968,915

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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