

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

5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2014	6. Is this the last Report of the Award Period? <input checked="" type="radio"/> Yes <input 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): 11-24-2014
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Project Indicators (This Quarter)

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

Construction:

- All project construction completed in 1st quarter 2014.

Right of Way/Permitting:

- All permits paid in full for the construction phase of Digital 395 Middle Mile project.
- Long term permit payments made by CBC for the Inyo National Forest, Humboldt-Toiyabe National Forest, Bureau of Land Management - Nevada, Bureau of Land Management – California (federal agencies charge an annual rental payment). Bureau of Land Management - California requires a Reclamation bond for the life of the long term agreement - subject to future review by the agency.
- All Tribal agreements paid in full for 30 years by virtue of fees being waived by the Tribes.
- Caltrans District 8 annual operations and maintenance permit paid by CBC; requires annual renewal.
- Caltrans District 9 annual operations and maintenance permit is under review; requires annual renewal. Damage repairs in M104 and M112 completed holding up earlier review.
- LADWP long term agreement negotiation has not been completed; CBC has five year agreement for D395 installation paid in full; long term fee payment needs negotiation to be completed.

Administrative:

- NTIA determines proportionate sale proceeds from one liquidated Pelsue trailers and one forklift must be repaid to the Federal Government.
- All outstanding Award Action Requests are approved by the Grants Office.
- Clarification received from NTIA on UCC1 cover document language correction needed. Correction to me made using a UCC3 Report while adding completed network build details.
- Reached out and organized a successful dedication ceremony attended by state, federal and local agencies, media and the general public.
- Begin work on closeout documents including but not limited to the SF-424C, UCC3/UCC1, Patent/Copyright Form, SF-428, SF-429 and equipment inventory.

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	100	We have expended 108% of our overall budget as a result of excessive environmental and permitting costs. The overrun to the original budget was augmented with a \$9.9MM award by Resolution T-17408, by the California Public Utilities Commission and administered by the California Advanced Services Fund. The additional funds were intended to recover part of the excess costs incurred by state and federal environmental permits and requirements. The funding was allocated by specific distribution components of the project, such as the June Lake, the Benton Paiute and Bridgeport Tribal connections, and the tie-in of the US Marine Corps Mountain Warfare Training Center, as well as outstanding environmental fees. Of the \$9.9MM awarded by Resolution T-17408, \$7,841,722.03 was used to augment the project.
2b.	Environmental Assessment	100	No Variance
2c.	Network Design	100	No Variance
2d.	Rights of Way	100	No Variance
2e.	Construction Permits and Other Approvals	100	No Variance
2f.	Site Preparation	100	No Variance
2g.	Equipment Procurement	100	No Variance

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2h.	Network Build (all components - owned, leased, IRU, etc)	100	No Variance
2i.	Equipment Deployment	100	No Variance
2j.	Network Testing	100	No Variance
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).

Obtaining Termination for Convenience and resolution on asset sales from Grants Office. Understanding nuances and administrative processes of Close Out phase. NTIA staff is actively involved.

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	612	Ahead 29 miles from target of 583. Over the course of the project, there were multiple route changes approved by the grants office that accounted for the additional mileage as well as unanticipated construction changes that could not be foreseen in the initial design.
New network miles leased	0	NA
Existing network miles upgraded	0	NA
Existing network miles leased	0	Variance of 30 miles. Will will not be leasing the 30 miles of fiber. The fiber is owned by California Broadband and placed in leased Zayo conduit
Number of miles of new fiber (aerial or underground)	612	Ahead 29 miles from target of 583. Over the course of the project, there were multiple route changes approved by the grants office that accounted for the additional mileage as well as unanticipated construction changes that could not be foreseen in the initial design.
Number of new wireless links	0	NA
Number of new towers	0	No towers constructed on project. While in the base plan, the towers were removed due to Environmental Assessment requirements.
Number of new and/or upgraded interconnection points	65	Variance of 3 from original baseline of 68. There were multiple factors over the course of the project where points of interconnection (POI's) were removed and added. These changes were approved by the grants office and accounted for the decrease from our original 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	12
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	11

Indicators	
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
 Plumas Sierra - Signed internet and collocation agreement
 Lone Pine TV - Internet Access
 SchatNet - Internet Access and Transport
 RACE Telecom - Signed agreement for dark fiber
 Escape Broadband - Internet Service
 Northern Nevada High Speed - Internet Service
 East Sierra.net - Internet Service

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:

We have signed an agreement with Plumas Sierra, Lone Pine TV and SchatNet, Escape Broadband, Northern Nevada High Speed, East Sierra.net (See Attached)

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 designated as the vendor who will operate entire network its upon completion. This party will serve as a contractor when operating the network.
 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	9	Ahead by 4 - Installation of our backbone has created more competition in the region
	Providers with signed agreements receiving improved access	0	Variance of 2 - Still in negotiation with last mile providers to improve access
	Providers with signed agreements receiving access to dark fiber	3	Ahead by 1 - Installation of our backbone has created more competition in the region
	Please identify the speed tiers that are available and the number of subscribers for each	2	3 subscribers at 50MB 1 subscriber at 1GB, 1 subscriber at 500MB and 1 subscriber at 2GB
Community Anchor Institutions (including Government institutions)	Total subscribers served	251	Exceeded original baseline by 14. Over the course of the project there were anchors added and approved by the grants office. These anchor were added in order to optimize public benefit, accommodate community requirement and requested by state and local agencies after the initial start of the project.
	Subscribers receiving new access	251	Exceeded original baseline by 14. Over the course of the project there were anchors added and approved by the grants office. These anchor were added in order to optimize public benefit, accommodate community requirement and requested by state and local agencies after the initial start of the project.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Subscribers receiving improved access	0	No Variance
	Please identify the speed tiers that are available and the number or subscribers for each	1	5 subscribers at 5Mb, 43 subscribers at 10Mb, 6 subscribers at 20Mb, 2 subscribers at 30Mb, 16 subscribers at 50Mb, 31 subscribers at 100Mb, 1 subscriber at 200Mb, 1 subscriber at 150Mb, 1 subscriber at 175Mb, 1 subscriber at 500Mb, 2 subscriber at 1Gb, for a total of 109 subscribers.
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
	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).

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).

Administrative:

- Continue to speak out and attend public forums to share lessons learned and the benefits of the Digital 395 Project. We have attended nearly a dozen public forums

- Continue to work on closeout documents including but not limited to the SF-424C, UCC3/UCC1, Patent/Copyright Form, SF-428, SF-429 and equipment inventory. We will also be working through all final quarterly progress and financial reports. All closeout documents to be finalized and submitted no later than November 29, 2014
- We anticipate signing 1 broadband wholesaler/last mile provider agreements with Race Communications

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	100	We have expended 108% of our overall budget as a result of excessive environmental and permitting costs. The overrun to the original budget was augmented with a \$9.9MM award by Resolution T-17408, by the California Public Utilities Commission and administered by the California Advanced Services Fund. The additional funds were intended to recover part of the excess costs incurred by state and federal environmental permits and requirements. The funding was allocated by specific distribution components of the project, such as the June Lake, the Benton Paiute and Bridgeport Tribal connections, and the tie-in of the US Marine Corps Mountain Warfare Training Center, as well as outstanding environmental fees. Of the \$9.9MM awarded by Resolution T-17408, \$7,841,772.03 was used to augment the project.
2b.	Environmental Assessment	100	No Variance
2c.	Network Design	100	No Variance
2d.	Rights of Way	100	No Variance
2e.	Construction Permits and Other Approvals	100	No Variance
2f.	Site Preparation	100	No Variance
2g.	Equipment Procurement	100	No Variance
2h.	Network Build (all components - owned, leased, IRU, etc.)	100	No Variance
2i.	Equipment Deployment	100	No Variance
2j.	Network Testing	100	No Variance
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).

None, project is in closeout

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	\$14,956,660	\$4,661,767	\$10,294,893	\$14,956,660	\$4,661,767	\$10,294,893
b. Land, structures, right-of-ways, appraisals, etc.	\$2,285,826	\$457,166	\$1,828,660	\$2,161,497	\$597,238	\$1,564,259	\$2,161,497	\$597,238	\$1,564,259
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	\$4,632,493	\$495,620	\$4,136,873	\$4,632,493	\$495,620	\$4,136,873
e. Other architectural and engineering fees	\$2,906,663	\$581,333	\$2,325,330	\$9,288,338	\$1,968,351	\$7,319,987	\$9,288,338	\$1,968,351	\$7,319,987
f. Project inspection fees	\$164,635	\$32,927	\$131,708	\$1,051,677	\$352,056	\$699,621	\$1,051,677	\$352,056	\$699,621
g. Site work	\$314,813	\$62,963	\$251,850	\$1,419,922	\$280,418	\$1,139,504	\$1,419,922	\$280,418	\$1,139,504
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$69,013,409	\$13,802,688	\$55,210,721	\$68,089,866	\$18,160,267	\$49,929,599	\$68,089,866	\$18,160,267	\$49,929,599
j. Equipment	\$8,573,312	\$1,714,663	\$6,858,649	\$7,917,372	\$1,875,237	\$6,042,135	\$7,917,372	\$1,875,237	\$6,042,135
k. Miscellaneous	\$61,800	\$12,360	\$49,440	\$111,112	\$89,195	\$21,917	\$111,112	\$89,195	\$21,917
l. SUBTOTAL (add a through k)	\$101,435,997	\$20,287,209	\$81,148,788	\$109,628,937	\$28,480,149	\$81,148,788	\$109,628,937	\$28,480,149	\$81,148,788
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$101,435,997	\$20,287,209	\$81,148,788	\$109,628,937	\$28,480,149	\$81,148,788	\$109,628,937	\$28,480,149	\$81,148,788

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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