

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
4. Recipient Organization California Broadband Cooperative, Inc. 1101 Nimitz Ave, Vallejo, CA 94592-1014		
5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2011	6. Is this the last Report of the Award Period? <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.		
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): 11-10-2011	

Project Indicators (This Quarter)

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

Grants Administration

- Established Joint Construction Agreement Nevada Hospital
- Hosted NTIA on two field visits to tribes and other agencies
- Changed from Reimbursement to Advanced Payment drawdown method

Legal and Regulatory

- Drafted and Filed California Certificate of Public Convenience and Necessity
- Completed Conduit Agreements with Douglas County and Zayo Group, LLC.

Network Planning and Engineering

- Finalize 152 miles backbone working drawings
- Acquired digital photographic imagery for remaining 20% of route
- Resolved Caltrans design issues and work print specs
- Finalized Node locations, designs, and powering requirements
- Validated all anchor locations and completed 50% of field site surveys
- Completed engineering on Naval Air Weapons Station China Lake

Environmental Assessment

- Completed and Circulated Draft Environmental Assessment for Agency Comment
- Completed Government-to-Government Consultations with Tribes
- Completed Public Comment Cycle for California Environmental Quality Act
- Submitted pre-construction notices to California carriers
- Completed Biological Technical Report
- Completed approval of Programmatic Agreement
- Completed Storm Water Pollution Prevention Plan
- Submitted Draft Biological Assessment to National Telecommunications and Information Administration for United States Fish and Wildlife Services review

Project Management

- Purchased and Created Customer Relationship Management System
- Identified all staging and depot locations for logistics

Rights of Way

- Submitted all documentation for Bureau of Land Management and United States Forest Service
- Drafted Plan of Development for China Lake, issued contracts for easement surveys
- Developed complete Right of Way package for all Tribes
- Resolved strategy with Bureau of Indian Affairs for treatment of Nevada Allotments
- Submitted formal request package for LA Department of Water and Power Right of Entry
- Finalized Caltrans and NDOT Encroachment Permit process
- Develop and submit Right of Way packages for all Counties
- Initiated title searches and securing vesting deeds for private properties

Procurement

- Issued and awarded Request for Proposals for Cable, Conduit and Vaults
- Issued and reviewed Request for Proposals for Backbone Conduit
- Issued Request for Information for Node Power and Electronics
- Drafted Node Request for Proposal for Quarter 4 2011 Release

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	7	25% Variance. Environmental Assessment delayed until December. Cable, conduit & vault contracts awarded, in final stages of construction Request for Proposals evaluation.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2b.	Environmental Assessment	98	2% Variance. All studies submitted, public comments submitted, compiled and analyzed. Programmatic Agreement fully signed and waiting execution. Certificate of Public Convenience and Necessity documentation prepared for California Public Utilities Commission submission. Biological technical reports prepared.
2c.	Network Design	60	Ahead 7%. Backbone field work complete. Digital maps finalized. Ortho complete. Working drawings 80% complete. CAD work in progress. Distribution design work started.
2d.	Rights of Way	89	No Variance. All federal & state applications submitted. In negotiation with counties. Resolving private Right of Way issues.
2e.	Construction Permits and Other Approvals	60	40% Variance. Permit requirements known & processes in place for review prior to Certificate of Public Convenience and Necessity issuance.
2f.	Site Preparation	6	60% Variance. Node locations identified, pre-surveyed and mapped. Request for Proposals Statement of Work prepared for site improvements.
2g.	Equipment Procurement	12	10% Variance. Vendor review & Request for Information completed for electronics.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	25% Variance. Initiation of Construction pending Finding of No Significant Impact, Mitigated Negative Declaration and permits.
2i.	Equipment Deployment	8	14% Variance. Equipment deployment pending Finding of No Significant Impact.
2j.	Network Testing	0	No 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).

We face continuing challenges from federal and state of California agencies in satisfying their constantly evolving environmentally related data 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 not started
New network miles leased	0	NA
Existing network miles upgraded	0	NA
Existing network miles leased	0	No Variance, Construction Not Started
Number of miles of new fiber (aerial or underground)	0	Construction not Started
Number of new wireless links	0	NA
Number of new towers	0	Construction not Started
Number of new and/or upgraded interconnection points	0	No Variance, Construction Not Started

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 third party operates (600 words or less).

Inyo Networks is presently selected as contractor who will operate entire network upon completion and pending independent CBC Board approval.

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	No Variance, Construction Not Started
	Subscribers receiving new access	0	No Variance, Construction Not Started
	Subscribers receiving improved access	0	No Variance, Construction Not Started
	Please identify the speed tiers that are available and the number or subscribers for each	0	Construction Not Started

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

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).

Significant achievements for the next quarter will include the anticipated approval of the mitigated negative declaration by the California Public Utilities Commission and the Finding of No Significant Impact is expected to be issued by National Telecommunications and Information Administration. The California Certificate of Public Convenience and Necessity is expected to be issued for California Broadband Cooperative. License agreements are anticipated from federal, state and local land management agencies. Logistics for constructions operations will be implemented. Key material items will be staged and prime contractor awards will be announced. Since we do not expect to have environmental permits until December and construction will not start in Q4 2011, we will not have any new network miles deployed or leased and we will not have any Community Anchor Institutions connected. We expect to close on atleast one agreements with a last mile provider in Q4 2011.

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	15	33% Variance. Delays in receiving environmental permits which has delayed Finding of No Significant Impact and delayed the construction start date. All other gaps in planned progress emanate from this.
2b.	Environmental Assessment	99	1% Variance. Request for Proposal issued and awarded for Monitoring Contractor. Monitoring plan initiated. Programmatic Agreement work continues into next Quarter.
2c.	Network Design	70	Ahead 7%. Backbone and cable 95% complete. Distribution Engineering 20% complete. Anchor-Points of Interconnection entrance facilities and laterals 10% complete. All Node site engineering complete.
2d.	Rights of Way	95	5% Variance. Private Right of Way issues, Bureau of Indian Affairs and Tribal issues to be resolved.
2e.	Construction Permits and Other Approvals	75	25% Variance. Backbone in pipeline, pending 30 day review cycle. Some county and city permits remain.
2f.	Site Preparation	25	75% Variance. Architectural renderings and site engineering complete and site prep Request for Proposal issued.
2g.	Equipment Procurement	12	42% Variance. Node Request for Proposal issued. Receiving deliveries of cable, conduit and vaults in northern construction zone. Additional tools, equipment and motor vehicles acquired.
2h.	Network Build (all components - owned, leased, IRU, etc.)	10	34% Variance. Anticipate receiving Finding of No Significant Impact . Material deliveries begun. All depots sites identified. Gardnerville depot fully operational.
2i.	Equipment Deployment	12	33% Variance. Receiving deliveries of cable, conduit and vaults in northern construction zone. Additional tools, equipment and motor vehicles acquired.
2j.	Network Testing	0	6% Variance. Construction Not Started
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).

Our planned success is predicated on the issuance of the environmental permits, receiving rights of entry by Department of Water and Power (fee issues) and Department of Defense (right of entry and satisfying their environmental reporting requirements), and the resolution of Tribal Right of Way issues in Nevada. We also need to resolve the mitigation requirements of the Fish and Game and Fish and Wildlife services. Broadband Technology Opportunities Program staff is already engaged in all of these matters.

