

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) 06-30-2011	6. Is this the last Report of the Award Period? <div style="text-align: center;"> <input type="radio"/> Yes <input checked="" type="radio"/> No </div>	
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): 08-09-2011	

Project Indicators (This Quarter)

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

Grants Administration

- Obtained IRS non-profit status letter
- Obtained approval of Justification of Non-Competitive Bid for contractor insurance program
- Worked with Nevada Hospital Association on Asset sharing
- Conducted weekly meetings with National Telecommunications and Information Administration (NTIA) Federal Program Officer
- Conducted status meetings with NTIA Administration on National Environmental Policy Act (NEPA) issues
- Hosted Federal Program Officer for annual on-site visit

Network Planning and Engineering

- Negotiated conduit system access for section of route between Reno and Carson City
- Finalized terms and conditions for Conduit system in Carson and Douglas Counties (NV)
- Completed refinement of alignment through Owens Valley, China Lake and Highway 58 to meet Caltrans, State Lands Commission and Agency requirements
- Initiated detailed working drawings and methodologies acceptable to permitting agencies. Completed 24 mile section prototype
- Acquired fleet of engineering and administrative vehicles
- Finalized basic node requirements for Request for Proposals and county permit agreements
- Developed staffing plan and executed drafting and outside plant engineering acquisitions
- Developed requirements for cable, conduit and contractor request for proposals

Environmental Assessment

- Obtained Survey Permits from all land management agencies
- Completed all biological and cultural surveys for primary and alternative routes
- Finalized Area of Potential Effect (APE) for entire route
- Completed biological and cultural surveys on China Lake Naval Base
- Worked extensively with USFWS and California Department of Fish and Game on Desert Tortoise and other mitigation requirements of EA resubmission
- Developed alternative routes to avoid major permit issues
- Completed all "Informal Consultations" with seven Tribes
- Completed the development of Programmatic Agreement and distributed to two dozen agencies for comment and sign-off
- Initiated development of Storm Water Pollution and Spill Pollution Prevention Plans (SWPPP and SPPP, respectively)
- Worked California Environmental Quality Act (CEQA) procedures with California Public Utilities Commission (CPUC) and local counties

Project Management

- Established Integrated Project Plan methods, budget management and metrics
- Developed detailed Communications Plan and initiated execution
- Revised and launched Web Site, attended various state and local venues for project outreach
- Opened field project offices in Reno and Ridgecrest
- Developed boilerplate for Request for Proposals and Vendor Contracts
- Issued Request for Proposals for approximately \$12 Million in materials
- Built Customer Relationship Management system for Anchors Outreach
- Contacted 250 anchors for initial screen and site visits
- Coordinated network requirements with 25 carriers and last mile providers
- Obtained Certificate of Public Convenience and Necessity for California Broadband Cooperative in Nevada
- Prepared Certificate of Public Convenience and Necessity for submission to California Public Utilities Commission (CPUC)
- Obtained conduit section over Crowley Dam from Mono County

Rights of Way

- Completed staffing of Rights-Of-Way team
- Developed integrated Rights-of-Way methods and documentation to meet all agency requirements
- Completed introductory meetings with remaining land management agencies in California and Nevada (7 Indian Tribes, Caltrans, NDOT).
- Completed Preliminary Title Report for all of California Route
- Completed definition of Project Alignment in DOT reference points (Mile markers and Stations) for Caltrans and NDOT
- Completed Geographical and Ownership Mapping for all jurisdiction
- Drafted Plan of Development for Bureau of Land Management, US Forest Service, LA Department of Water and Power and Indian Reservations
- Developed Legal Descriptions with GIS Mapping for entire backbone route
- Completed form documents for private, agency and state easements

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	5	Underrun by 7%. While there had been an acceleration of spending from the previous quarter, overall project under ran this quarter largely due to withholding activities (such as permits and initial materials orders) that are dependent on the issuance of a FONSI
2b.	Environmental Assessment	98	Underrun by 2%. Revisions to the environmental assessment extended through June with agency and public commentary beginning in July. Field work continued into June due to delays in survey permits from Federal agencies and requirements to refine alignment. A Programmatic Agreement was circulated in May. Expenditures for the draft EA is expected in July-August timeframe.
2c.	Network Design	34	Underrun by 3% - Due to route modifications to accommodate preliminary feedback on environmental assesment. Detailed design of alignment completed, with all engineering staffing in place, trained and equipped. Digital base maps completed and alignment fielded. Sample Working Drawings socialized with Agencies for Permit requirements on backbone route. Distribution designs completed for two communities.
2d.	Rights of Way	15	Underrun by 45%. Title searches completed on private lands. Legal descriptions initiated and largely completed for major federal land management agencies (BLM, USFS). Tribal lands identified. Requirements for DOT agencies defined. No ROWs have been purchased, pending FONSI.
2e.	Construction Permits and Other Approvals	25	Underrun by 48%. Construction permits from key state and federal agencies will require the issuance of the FONSI. Permits that can be issued prior to that have been paid. Payment for DOT permits will occur as they are submitted and approved.
2f.	Site Preparation	1	Underrun by 27%. No site preparation until occur until after FONSI has been issued. Expenditures to date have been for options on sites in Barstow, Ridgecrest, Kramer Junction, and Carson City
2g.	Equipment Procurement	0	Underrun by 12%. The baseline plan called for the initial acquisition of Node buildings in this Quarter. This has been deferred until the September timeframe to meet permitting objectives in October. There is no need to acquire structures at this time only to store them. The equipment RFP will be issued in August for electronics and nodes.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	No Variance
2i.	Equipment Deployment	8	No Variance
2j.	Network Testing	0	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).

Environmental Assessment:

Project had significant issues accessing federal lands for permits and getting agency cooperation on cultural studies. This issue was resolved by NTIA intervention in developing a Programmatic Agreement, Memorandum of Understanding and engaging participating agencies.

Network Design

Primary challenge in network was to establish a final alignment. This was accomplished by obtaining Orthophotographic maps from various sources, and conducting an on-the-ground survey of entire route and plotting for EA and baseline engineering design. There was no NTIA involvement in these matters.

Rights of Way

We encountered issues with the City of Los Angeles and some private parties. We escalated the matter to leadership at the City of Los Angeles and have begun seeing progress. We will obtain a Right of Entry and Permission to Construct for the 68 miles of their land, with processes beginning to become clarified. We have made significant progress with all tribal lands and have engaged the BIA. NTIA involvement with tribal organizations has been effective in getting their attention. Additional difficulties resolving conflicts between Department of Transportation requirements and environmental issues adjacent to roadways.

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	No Variance, 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	No Variance, Construction Not Started
Number of new wireless links	0	NA
Number of new towers	0	No Variance, 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	0
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	13
Average term of signed agreements (in quarters)	0

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:

Presently we do not have any signed agreements.

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, Inc. as a vendor for the California Broadband Cooperative will perform all day to day operating activities for the Digital 395 network after the initial network construction phase of the project is complete. These activities will include network management and operation, anchor institution service provisioning, customer care, billing and regulatory support.

Inyo Networks
 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	No Variance, Construction Not Started
Residential / Households	Entities passed	0	No Variance, Construction Not Started
	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).

3QTR11 will see the completion of the Environmental Assessment and the CEQA documentation, with approvals expected in October. In addition, RFPs will be issued and awarded for conduit, fiber cable, construction of main route, and node buildings. Approximately 70% of the entire project budget will be contracted. Logistics and monitoring systems will be put in place to oversee the project's construction phase. All project personnel will be trained on grant administration, safety, permit compliance, and technical details. An extensive job outreach effort will be designed and executed.

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	12	Although we expect an acceleration of spending in the next quarter, overall project spending will underrun due to delay of EA until October and materials acquisitions in September - October.
2b.	Environmental Assessment	100	No Variance
2c.	Network Design	50	3% underun. Working drawings for backbone designs 80% complete. 25% distribution area designs complete
2d.	Rights of Way	89	No Variance
2e.	Construction Permits and Other Approvals	60	40% underrun. Construction permits will not be available in 3QTR11, since DOT permits will not be issued until after FONSI and Mitigated Negative Declaration is issued. We anticipate Permits in all federal lands.
2f.	Site Preparation	6	60% underrun, as site preparation will no be allowed prior to FONSI. Aquisition of all sites will be finalized. RFPs will be issued and we will be ready to construct for October once FONSI in place.
2g.	Equipment Procurement	12	10% under-run. Due to the anticipated October issuance of FONSI, Electronics RFP process has been deferred until August Timeframe. Equipment purchase is expected 4QTR2011.
2h.	Network Build (all components - owned, leased, IRU, etc.)	0	25% underrun. Construction not started until permits are made available
2i.	Equipment Deployment	8	14% underrun. No equipment has been deployed due to delay in FONSI and Construction
2j.	Network Testing	0	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).

Environmental Assessment:

Since the critical path of the entire project is agency cooperation in the environmental studies and getting their approval, our primary focus will be to tightly manage deliverables. Our project plan is to obtain FONSI and CEQA authorizations by October, necessitating good inter-agency cooperation. NTIA assistance in this is already in place assisting with Programmatic Agreements with Federal Agencies, SHPO and Tribal organizations.

Network Design

Department of Transportation agencies have set requirements contrary to environmental needs which are being resolved. These are being resolved locally with State Officials without NTIA involvement.

Rights of Way

Rights-of-Way through tribal allotments have been noted in the Nevada and Fort Independence reservation areas of the route. Fort Independence has been resolved with a work around and BIA involvement has been solicited in Nevada. Rights of way from the City of Los Angeles has been escalated to City Council members and agreements are in place with 2 private owners.

