

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 NT10BIX5570111	3. DUNS Number 127973282
--	---	--

4. Recipient Organization

Northwest Open Access Network 5802 Overlook Avenue NE, Tacoma, WA 98422-1435

5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2012	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 Dave Spencer	7c. Telephone (area code, number and extension) 2083436477
	7d. Email Address noanet@chrsolutions.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-10-2012
---	--

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 The first quarter of 2012 was consumed with field staking, construction drawing and permit drawing development to enable public procurement of construction contractors. Cultural field survey and associate reports are being coordinated once final staking is complete and NoaNet approves the 'Staked' route. Additionally, each route under a potential modification is analyzed to assure that no new or significant environmental issues are created through the route modifications to assure timely processing with the BTOP program's route modification process. The required SEPA notices have been processed for all but one route that had specific requirement, yet will be advertised in the first week of May to support final permitting release. A significant amount of budget/schedule analysis is being resourced on NoaNet and sub-recipient projects to assure under budget and on time completion of these projects. There is a revision being made in the Infrastructure Budget Execution Details below in response to a concern with the 'Other Architectural and Engineering Fees' category over expended. NoaNet researched the issue and discovered \$357,447 that had been inappropriately 'coded' to this budget line item by our accounting group and reallocated to the appropriate category within the budget.

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	22	Northwest Open Access Network is busy preparing for construction which is slated to start in Quarter 2 of 2012. With the onset of this activity, the overall project milestone will increase rapidly and continue to shorten the gap in this metric. It is anticipated meeting baseline projections at the end of Q2 2013.
2b.	Environmental Assessment	100	No variance.
2c.	Network Design	85	No variance.
2d.	Rights of Way	60	An aggressive Baseline projection coupled with a longer than anticipated Environmental process has created a lag in projections from actual to baseline. Additional resources are being utilized to bring this metric closer to projections during quarter four of calendar year 2012 with some remaining and challenging ROW's to be acquired by end of Q1 2013. This schedule will allow completion of the project as outlined in the BTOP Grant Guidelines.
2e.	Construction Permits and Other Approvals	55	An aggressive Baseline projection coupled with a longer than anticipated Environmental process has created a lag in projections from actual to baseline. Additional resources are being utilized to bring this metric closer to projections during quarter four of calendar year 2012 with some permitting still being acquired in Q1 2013 for the more difficult segments. This schedule will allow completion of the project as outlined in the BTOP Grant Guidelines.
2f.	Site Preparation	35	See narrative above. Anticipation is to bring this metric in line with the Baseline projections during the fourth quarter of the second year of the project.
2g.	Equipment Procurement	26	Equipment procurement is currently lagging Baseline projections in part due to the delays in the start of construction and readiness of routes for equipment installations, yet will begin to ramp up in quarters three and four of 2012. It is anticipated meeting baseline projections at the end of Q1 2013.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	This project was only recently granted approval from the environmental perspective creating a delay in construction. The network build is projected to start in quarter two of 2012. Baseline metrics are expected to be met at the end of Q2 2013.
2i.	Equipment Deployment	0	Once the network construction has started and equipment is able to be connected, this metric will be able to meet the baseline projections. Based on aggressive baseline projections and a prolonged environmental process, this metric will be met in the second quarter of year three of the project life cycle.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2j.	Network Testing	0	Network testing will commence once the network build has started and equipment is connected. This metric will mirror the Network Build schedule time line with final testing being completed in quarter two of year three of the project.
2k.	Other (please specify):	0	N/A

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).

None at this time in the project, although if needed, assistance is always appreciated.

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	With a longer than anticipated Environmental process, this metric has not met the original aggressive projections that were established during the initial phase of planning. We are anticipating meeting this metric in the last quarter of the final year of the project year, Q2 2013.
New network miles leased	0	N/A
Existing network miles upgraded	0	N/A
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	0	See 'New network miles deployed' metric above.
Number of new wireless links	0	Wireless links have not yet been incorporated into the project as construction has not yet started. The wireless links will be brought online incrementally with substantial completion by quarter three of 2012.
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	Interconnection related to new construction has not been made available as construction on the project has not been initiated. Interconnection will be made available when the balance of Anchor Institutions are brought up. Interconnection will be an ongoing process as the project develops and connectivity to Anchor Institutions is accomplished. Completion of this milestone will be met upon final connections to the Network in the first quarter of 2013.

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	45
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	1
Average term of signed agreements (in quarters)	20

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:
 The 45 signed agreements referred to above are comprised of the 37 original or pre-existing wholesale customers with Northwest Open Access Network with existing agreements pre-dating the Broadband Technology Opportunities Program award and eight (8) new agreements from the previous seven quarters. these contracts and all future agreements as standard verbiage have non-disclosure provisions that prohibit public release of their specific names without prior written consent. The list of pre-existing customers was previously provided to the National Telecommunications and Information Administration (NTIA) under separate cover as "Privileged and Confidential" sales and marketing information.

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:
 There are currently no broadband services being provided as this project is currently awaiting the start of construction. Once customers are receiving service, a list of wholesale offerings and prices will be updated and 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).
 Sub Recipients:

- Black Rock Cable, Inc., 1512 Fairview St., Bellingham, WA 98229 360-783-3116
- Kitsap Public Utility District, 1431 Finn Hill Road, PO Box 1989, Poulsbo, WA 98370 360-779-7656
- Sawnet, c/o Sawtooth Technologies, 50 SE Cascade Ave., Stevenson, WA 98648 509-427-4865
- Kalispel Tribe of Indians, 22 Camas Flat Road, Cusick, WA 99180-0096 509-445-1664

Negotiations with other third party providers are in process with no final determination at this time. Additional third party operators will likely be added as the project progresses.

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	With having only recently initiated bids for construction contracts, signed agreements have not been received for new access. Agreements and new providers will be brought online as we progress with the build, anticipating meeting this metric in the first half of year three.
	Providers with signed agreements receiving improved access	0	N/A
	Providers with signed agreements receiving access to dark fiber	0	N/A
Community Anchor Institutions (including Government institutions)	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
	Total subscribers served	0	Community Anchor Institutions will be brought online in conjunction with the Network Build, as an extended Environmental Approval and permitting has created a lag in start of construction. Current Baseline projections are anticipating meeting this metric in Quarter 3 of year three of the project. Based on overall delays, this metric may be prolonged out to the final year of the project with final CAI's being connected during the final phase of the project.
	Subscribers receiving new access	0	Same as above.
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number or subscribers for each	0	10- Meg Subscribers-38, 100-Meg Subscribers-170, 1-Gig Subscribers-75, and 10-Gig Subscribers-0

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	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Businesses	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A

7. Please describe any special offerings you may provide (600 words or less).

None at this time of the project.

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
N/A	N/A	N/A	N/A	N/A

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).

Activities centered on permitting, Right of Way acquisition, and eventual construction of routes will be the primary focus for the second quarter of 2012 and beyond. All available resources will be utilized to insure the project meets the timeframe allotted by the BTOP Grant guidelines. All tasks and activities will be directed at the metrics surrounding this report and be concentrating on attaining those guidelines below:

Projected Metrics for end of this quarter are noted below:

New Network Miles Deployed: 33

New Network Miles Leased: N/A

Total CAI Subscribers Served: 20

Number of Signed Agreements with Broadband Wholesalers or Last Mile Providers: 46

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	23	With the two categories of construction and equipment accounting for 87% of the budget it is difficult to see significant progress in this metric until construction begins and equipment specifications are completed for bidding and eventual purchase. This metric will start to see significant gain as we continue on to the construction phase of the project. It is projected to meet our baseline metric at the end of Q2 2013.
2b.	Environmental Assessment	100	No variance.
2c.	Network Design	90	No variance.
2d.	Rights of Way	65	Rights of Way acquisition will lag Baseline projections into next calendar year as the environmental approval process has taken longer than planned. Additional resources will be utilized to bring this metric in line with projections during the end of quarter two 2012.
2e.	Construction Permits and Other Approvals	65	Permitting will follow the right of way process and lag baseline into year three of the project. Permitting will meet baseline by end of quarter two year 2012. Once again, additional resources will be deployed to expedite the process.
2f.	Site Preparation	45	Site preparation is well underway in what we see as an accelerated rate to make up some of the lag in the Baseline projection and an expedited construction schedule. Anticipation is to bring this metric in line with Baseline by the end of quarter three in 2012.
2g.	Equipment Procurement	26	The majority of In Kind equipment has been attributed toward this project in previous quarters, as this metric is making some gap closure as we end the second year of the project life cycle. Equipment procurement has been delayed to coincide with construction of routes and anticipated to proceed during the third and fourth quarters of 2012 to coincide with the start of construction. We anticipate meeting our baseline projections at the end of Q1 2013.
2h.	Network Build (all components - owned, leased, IRU, etc.)	5	Earlier Baseline projections had the Network Build starting in the first quarter of year two of the project. With the longer than anticipated environmental process and ultimate construction start, this metric will lag baseline well into the final year of the project. This metric will be met by the end of quarter three 2012.
2i.	Equipment Deployment	10	With approval of the Environmental Assessment and construction activity taking place, equipment will be deployed during the fiber placement phase. This will mirror the Network Build schedule and attain the Baseline projection by end of quarter three 2012.
2j.	Network Testing	0	Network testing will follow the network build metric once that portion of the Project is started. It is anticipated that this metric will attain the Baseline projection by the end of quarter three 2012. A compressed schedule will allow this to be completed as required.
2k.	Other (please specify):	0	N/A

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 at this time of the project.

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	\$199,992	\$199,992	\$0	\$0	\$0	\$0	\$0	\$0	\$0
b. Land, structures, right-of-ways, appraisals, etc.	\$3,180,508	\$3,098,508	\$82,000	\$3,053,368	\$3,053,368	\$0	\$3,053,368	\$3,053,368	\$0
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$7,506,240	\$75,000	\$7,431,240	\$2,385,083	\$153,979	\$2,231,104	\$3,100,000	\$153,979	\$2,946,021
e. Other architectural and engineering fees	\$21,573	\$0	\$21,573	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$48,655,161	\$12,304,590	\$36,350,571	\$7,357,073	\$7,357,073	\$0	\$7,357,073	\$7,357,073	\$0
j. Equipment	\$15,689,615	\$5,122,652	\$10,566,963	\$3,968,916	\$3,968,916	\$0	\$3,968,916	\$3,968,916	\$0
k. Miscellaneous	\$54,000	\$54,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$75,307,089	\$20,854,742	\$54,452,347	\$16,764,440	\$14,533,336	\$2,231,104	\$17,479,357	\$14,533,336	\$2,946,021
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$75,307,089	\$20,854,742	\$54,452,347	\$16,764,440	\$14,533,336	\$2,231,104	\$17,479,357	\$14,533,336	\$2,946,021

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
--	---------------------------------------