

RECIPIENT NAME:
AWARD NUMBER:
DATE:

OMB CONTROL NUMBER: 0660-0037
EXPIRATION DATE: 12-31-2010

QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information		
1. Federal Agency and Organizational Element to Which Report is Submitted Department of Commerce/NTIA	2. Award Identification Number NT10BIX5570039	3a. DUNS Number 825181949
		3b. EIN 208670761
4. Recipient Organization (Name and complete address including country, congressional district, and zip code) OpenCape Corporation, P.O. Box 762, West Barnstable, MA 02668 Congressional District MA 10		
5. Current Reporting Period End Date (MM/DD/YYYY) 06/30/2010	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 Daniel Gallagher, CEO	7c. Telephone (area code, number and extension) 508-367-9884	
		7d. Email Address info@opencape.com
7b. Signature of Certifying Official	7e. Date Report Submitted (MM/DD/YYYY): 07/31/2010	

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (150 words or less).
 OpenCape successfully performed its first drawdown of federal funds in the 2nd quarter. OpenCape has completed its first draft Environmental Assessment and will submit for review on July 1, 2010. OpenCape is finalizing a memorandum of understanding with the regional electric utility to pursue synergies of smart grid and broadband. OpenCape submitted a formal request to the Army Corps of Engineers to begin the process of permitting OpenCape's crossing of the Cape Cod Canal. Concluded contracts for banking services, human resource services, and accounting services. Issued RFP for construction management services to renovate the future Collocation Center. OpenCape continued to meet with stake holders to aid in the finalization of requirements, design, path, and laterals.

2. Please provide the percent complete for the following key milestones in your project. Write "N/A" in the second 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 (100 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	4	
2b.	Environmental Assessment	90	
2c.	Network Design	70	
2d.	Rights of Way	15	
2e.	Construction Permits and Other Approvals	10	
2f.	Site Preparation		N/A
2g.	Equipment Procurement	0	
2h.	Network Build (all components - owned, leased, IRU, etc)	0	
2i.	Equipment Deployment	0	
2j.	Network Testing	0	
2k.	Other (please specify):	50	

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 (150 words or less).

OpenCape is finding that the pace of negotiating and completing necessary contracts is slower than anticipated. Three essential contracts are taking longer than anticipated and the linkages between two of them causes further delay. Negotiating the detailed contracts for construction and operation has proven very difficult. The many requirements of compliance and security interests has been further complicated by a developing opinion that the RFI process used to form the relationship with the probable construction and operation vendor is not adequate under federal regulations to award a fixed priced contract. The recent private acquisition of the probable private builder and operator also complicates the negotiations. Negotiation of the \$5 million match contract with the Commonwealth of Massachusetts has also been more difficult than anticipated largely because it is linked to completion of the private operator contract maintenance and testing exhibits.

4. Please report the following information regarding network build progress. Write "N/A" in the second 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 (100 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	
New network miles leased	0	
Existing network miles upgraded	0	
Existing network miles leased	0	
Number of miles of new fiber (aerial or underground)	0	
Number of new wireless links	0	
Number of new towers	0	
Number of interconnection points	0	

For questions 5 and 6 please include information relating to agreements that you are negotiating or have entered into, or that your subrecipient, contractor or subcontractor is negotiating or entered into.

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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	0
Average term of signed agreements	0

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements. Providers:
 None at this time.

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. Wholesale services description:
 No services are yet being offered.

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 subrecipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this third party operates (150 words or less).
 OpenCape is negotiating with a potential contractor to both build and operate the network, but has not yet concluded a contract.

6. Please provide the data according to the type of subscriber. Write "N/A" 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 (100 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	
	Providers with signed agreements receiving improved access	0	
	Providers with signed agreements receiving access to dark fiber	0	
	Please identify the speed tiers that are available and the number of subscribers for each	0	
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	
	Subscribers receiving new access	0	
	Subscribers receiving improved access	0	
	Please identify the speed tiers that are available and the number or subscribers for each	0	
Residential / Households	Entities passed	0	
	Total subscribers served	0	
	Subscribers receiving new access	0	
	Subscribers receiving improved access	0	
	Please identify the speed tiers that are available and the number of subscribers for each	0	
Businesses	Entities passed	0	
	Total subscribers served	0	
	Subscribers receiving new access	0	
	Subscribers receiving improved access	0	
	Please identify the speed tiers that are available and the number of subscribers for each	0	

7. Please describe any special offerings you may provide (150 words or less).

Special offerings are included within contracts that are currently under negotiation with a potential construction and operating partner that include a 15% discount to non-profits and a 25% discount to government entities below the commercial rate for services.

8a. Have your network management practices changed over the last quarter? No Yes

8b. If so, please describe the changes (150 words or less).

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. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent calendar year. 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 (100 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

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (150 words or less).

OpenCape plans to complete several important relationship documents in the third quarter to include Construction and Operation contracts with the private contractor. OpenCape will complete its Environmental Assessment. OpenCape will complete a contract with the Commonwealth of Massachusetts for its \$5 million match contribution. OpenCape will conclude a memorandum of understanding with the regional energy provider. OpenCape will complete a plan with Barnstable County for lease of the future Collocation Center building. OpenCape will hire three full time employees – CEO, Construction Manager, and Administrative Assistant.

2. Please provide the percent complete for the following key milestones in your project. Write "N/A" in the second 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 (100 words or less).

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	Overall Project	9	
2b.	Environmental Assessment	100	
2c.	Network Design	100	
2d.	Rights of Way	45	
2e.	Construction Permits and Other Approvals	30	
2f.	Site Preparation		N/A
2g.	Equipment Procurement	0	
2h.	Network Build (all components - owned, leased, IRU, etc.)	0	
2i.	Equipment Deployment	0	
2j.	Network Testing	0	
2k.	Other (please specify):	70	

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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 (150 words or less).

Concluding all contracts is the greatest immediate challenge. In particular, concluding a contract with the potential construction and operating contractor is not assured. Both the private contractor and OpenCape are concerned that the request for information (RFI) process used in May, 2009 to form the existing relationship is not sufficiently rigorous to award a fixed price contract for construction under federal regulations. In addition, the private contractor is being taken private and this event may change the goals and focus of the company. In the event a contract cannot be concluded OpenCape will issue a request for proposals (RFP) for construction and operation in mid-September. This will require a major effort and negatively impact the time line, but the adjustment can be made successfully.

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	\$919,300	\$419,300	\$500,000	\$113,495	\$46,884	\$66,610	\$850,000	\$350,000	\$500,000
b. Land, structures, right-of-ways, appraisals, etc.	\$750,000	\$750,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
e. Other architectural and engineering fees	\$286,600	\$0	\$286,600	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$755,200	\$0	\$755,200	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$100,000	\$0	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$30,625,41	\$6,920,00	\$23,705,41	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$6,725,16	\$0	\$6,725,16	\$0	\$0	\$0	\$5,000	\$0	\$5,000
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$40,161,39	\$8,089,30	\$32,072,09	\$113,495	\$46,884	\$66,610	\$855,000	\$350,000	\$505,000
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTALS (sum of l and m)	\$40,161,39	\$8,089,30	\$32,072,09	\$113,495	\$46,884	\$66,610	\$855,000	\$350,000	\$0

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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