

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) 06-30-2012	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 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): 08-03-2012	

Project Indicators (This Quarter)

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

Legal and Regulatory

- Acquired all city and county business licenses
- Received Inter-Exchange Access Customer from National Exchange Carrier Association
- Received Operating Company Number for both Nevada & California from Telcordia

Network Planning and Engineering

- Engineered 237 Community Anchor Institutions & signed 30 Access Agreements
- Completed distribution engineering design

Environmental Assessment

- Received National Telecommunications and Information Agency Finding of No Significant Impact
- Received both Forest Service Decision Notices & Findings of No Significant Impact
- Finalized Master Cultural Resources Report
- Segment Report Group 0 approved; submitted Groups 1 through 4

Rights of Way

- Acquired Nevada Department of Energy & Power Right of Entry for Douglas County
- Finalized Edwards Air Force Base Easement
- Submitted China Lake Grant of Easement
- Acquired Nevada and California Bureau of Land Management Right of Way Grants
- Permission to Survey & Damage Waiver –Nevada Allotments
- Acquired Zayo Conduit and Dark Fiber Use Agreement

Permits

- Granted United States Army Corps of Engineers 404 Permit
- Granted Army Nationwide Permit
- Received California Region Water Quality Control Board Section 401 Permit
- Nevada State Lands Commission approved Carson River bore and State conduit usage

Tribal

- Tribal Allotment legal description and appraisals completed
- Resolutions approved by the Benton, Fort Independence, Lone Pine and Bridgeport Tribes
- Backbone Right of Way secured from 1 of 3 tribes
- Developed Tribal Monitoring Plan
- Conducted tribal monitor training

Procurement

- Received 392 miles of cable, 286 miles of conduit and 337 vaults
- Awarded Electronics contract
- Awarded Node site preparation contract

Logistics

- Depots fully operative and secured
- Completed audits of all depot inventory

Communication

- California Public Utility Commission notifications mailed

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	30	45% Variance - Once the Programmatic Agreement is signed by all Stakeholders, the variance will significantly decrease due acquiring the final permits and the commencement of underground construction.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2b.	Environmental Assessment	96	4% Variance - Completed 40% of the work on the Programmatic Agreement.
2c.	Network Design	90	Ahead by 5% - All backbone and design work has been completed in California and working drawings three segments in Carson City in development. Remaining engineering expected to continue through construction phase as issues arise.
2d.	Rights of Way	98	2% Variance - Rights of Way have been acquired throughout the entire route with the exception. Currently awaiting final resolution with three tribal groups and Rights Of Way from the United States Navy and United States Air Force.
2e.	Construction Permits and Other Approvals	80	20% Variance - Construction plans have been review by all agencies, including Department of Transportation. Issuance of Notice to Proceed by the agencies will be based upon the release of the Programmatic Agreement Segment Groups.
2f.	Site Preparation	35	65% Variance - All architectural drawings and site engineering complete. No construction work has commenced due to lack of Programmatic Agreement approval.
2g.	Equipment Procurement	90	Ahead by 12% - All Request for Proposals have been issued and awaiting delivery. All materials (conduit, vaults and cable) arriving per schedule.
2h.	Network Build (all components - owned, leased, IRU, etc)	10	65% Variance - Project start pending Programmatic Agreement and obtaining various permits.
2i.	Equipment Deployment	20	54% Variance - Tools, equipment, motor vehicles and project materials are in place for project start. Equipment will be deployed once the programmatic agreement is approved.
2j.	Network Testing	0	25% 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).

Persistent delays in obtaining permits from State and Federal agencies have delayed the Finding of No Significant Impact and approval of Programmatic Agreement Segment Reports. Underground contractor firms are being impacted by a continued delay in the project start date. Project readiness evaluations have tested our ability to start with little issues identified except for snow in the higher elevations of the project. BTOP staff have been working extensively with us and agencies to get permits approved.

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	Variance of 264 miles from Baseline plan. This is due to the extended time for getting the Programmatic Agreement approval; therefor we cannot start construction.
New network miles leased	0	NA
Existing network miles upgraded	0	NA
Existing network miles leased	0	No variance.
Number of miles of new fiber (aerial or underground)	0	Variance of 264 miles from Baseline plan. This is due to the extended time for getting the Programmatic Agreement approval; therefor we cannot start construction.

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Number of new wireless links	0	NA
Number of new towers	0	Variance of 15; construction not started. We will be making a request to remove towers from the project
Number of new and/or upgraded interconnection points	0	Variance of 8; 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 its upon completion.

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	Variance of 1; construction not started.
	Providers with signed agreements receiving improved access	0	Variance of 1; construction not started.
	Providers with signed agreements receiving access to dark fiber	0	No variance.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Construction not started
Community Anchor Institutions (including	Total subscribers served	0	Variance of 46; construction not started.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Government institutions)			
	Subscribers receiving new access	0	Variance of 18; construction not started.
	Subscribers receiving improved access	0	Variance of 28; construction not started.
	Please identify the speed tiers that are available and the number or subscribers for each	0	Construction not started
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).

N/A

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
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).

It is our expectation to have Programmatic Agreement Segment approval for Groups 1-7; allowing for remaining outstanding permits to

be secured and for project construction to start.

- Underground conduit placement will start in five contractor bid segments.
- Node site construction work will start and be half completed.
- The Distribution RFP will be awarded.
- All Anchor agreements will be approved.
- 58 miles of fiber will be deployed and will connect 0 number of community anchor institutions.
- We plan on signing 0 wholesaler/last miles provider agreement.

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	48	42% Variance - delays due to Programmatic Agreement delayed construction start.
2b.	Environmental Assessment	98	2% Variance - The last three groups of Programmatic Agreement Segment Reports remain to be reviewed.
2c.	Network Design	100	Exceed baseline by 3% - All distribution engineering will be complete, network electronic architecture will be complete, and most anchor contracts will be secured. Remaining engineering relates to anchor connections and "as-built" validations.
2d.	Rights of Way	100	No Variance - Rights of Way secured.
2e.	Construction Permits and Other Approvals	85	15% Variance - Issuance of Notice to Proceed by the agencies will be based upon the release of the Programmatic Agreement Segment Groups.
2f.	Site Preparation	75	25% Variance - Half of the Node sites remain until approval of Programmatic Agreement Segment Groups.
2g.	Equipment Procurement	100	Exceed baseline by 8% - All equipment to be secured.
2h.	Network Build (all components - owned, leased, IRU, etc.)	30	63% Variance - Conduit placement underway in all (5) contractor bid zones, half of the nodes built and cable placement continuing.
2i.	Equipment Deployment	50	50% Variance - All transmission electronics dependent on node construction, which are dependant on PA approval.
2j.	Network Testing	0	41% Variance - No complete sections of the network available until 4th quarter.
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).

The principle challenge for the quarter will be securing the Programmatic Agreement, final permits, and tribal agreements. Beginning October 2012, early snowfall may impede construction in high altitudes in the Northern route in Mono and Douglas Counties. NTIA is aware of the Programmatic Agreement and Tribal issues and working with CBC on approvals.

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	\$6,104,533	\$0	\$6,104,533	\$7,789,858	\$397,814	\$7,392,044
b. Land, structures, right-of-ways, appraisals, etc.	\$2,285,826	\$457,166	\$1,828,660	\$555,290	\$0	\$555,290	\$1,057,562	\$118,559	\$939,003
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	\$2,875,069	\$0	\$2,875,069	\$3,393,159	\$122,293	\$3,270,866
e. Other architectural and engineering fees	\$2,906,663	\$581,333	\$2,325,330	\$3,857,870	\$0	\$3,857,870	\$5,739,638	\$444,183	\$5,295,455
f. Project inspection fees	\$164,635	\$32,927	\$131,708	\$0	\$0	\$0	\$125,667	\$29,663	\$96,004
g. Site work	\$314,813	\$62,963	\$251,850	\$23,800	\$0	\$23,800	\$342,000	\$75,110	\$266,890
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$69,013,409	\$13,802,688	\$55,210,721	\$12,896,961	\$0	\$12,896,961	\$24,952,423	\$2,845,641	\$22,106,782
j. Equipment	\$8,573,312	\$1,714,663	\$6,858,649	\$4,645,336	\$0	\$4,645,336	\$5,670,794	\$242,055	\$5,428,739
k. Miscellaneous	\$61,800	\$12,360	\$49,440	\$2,169	\$0	\$2,169	\$2,169	\$0	\$2,169
l. SUBTOTAL (add a through k)	\$101,435,997	\$20,287,209	\$81,148,788	\$30,961,028	\$0	\$30,961,028	\$49,073,270	\$4,275,318	\$44,797,952
m. Contingencies									
n. TOTALS (sum of l and m)	\$101,435,997	\$20,287,209	\$81,148,788	\$30,961,028	\$0	\$30,961,028	\$49,073,270	\$4,275,318	\$44,797,952

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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