

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 NT10BIX5570079	3. DUNS Number 096992656
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4. Recipient Organization Clackamas, County of 2051 Kaen Road, Oregon City, OR 97045-4088

5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2010	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No
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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 David DeVore Deputy Information Officer	7c. Telephone (area code, number and extension) 5037234996
	7d. Email Address DavidDev2co.clackamas.or.us

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 02-07-2011
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Project Indicators (This Quarter)

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

Summary:

Primary activities this quarter concentrated on completing project prerequisites and preparations for beginning project construction. Key activities included Award Conditions, draft Environmental Assessment, initial contact with potential providers, final route design, award RFP to build contractor, finalize anchor site list and initiate communications, implement management systems and outreach.

Key Milestones:

Network Design: Awarded Design/Build Contract to NorthSky Communications, Refined middle mile route design
 Network Build: 0 Fiber ring; 0 laterals to CAIs (No construction yet)
 Anchor Sites: Complete Baseline Anchor Site list, refined to 160 sites
 Agreements: 0 Agreements, Ongoing discussions, outreach to several companies with IRU proposals
 Site Preparation: None (awaiting FONSI)
 Rights of Way: Negotiating ROW agreements with RoW owners (cities and Oregon DOT)
 Permits: Received County Permits, working on required City & Railroad permits
 Procurement: None (none until after Environmental Approval)
 Deployment: None (working with Anchor sites on requirements)
 Network Testing: None
 Expenditures: No equipment or construction expenses. (none until after Environmental Approval - FONSI). Incurring network Design costs estimated for 4th Quarter of about \$78,000 and Staff time of about \$69,000.

Grant Requirement Activity Detail:

Special Award Conditions: Completed or submitted for review all SAC requirements including customer lateral Overlap Restrictions & Grant Management procedures.
 Baseline: Submitted and was approved Baseline. Baseline reflected planned Anchor Sites and lateral routes as of submission date – changes in both sites and routes are expected and will be coordinated with NTIA.
 Desk Audit: All requirements completed.
 Environmental Assessment: All consultations completed. All permits except for US Forestry either received or determined not required. Draft NEPA Document created by consultant and submitted to NTIA. NTIA Comment Matrix received and response in progress. Final NEPA Document set for early January submission for expected mid-January FONSI.

Outreach: Created initial Marketing Package for outreach to politicians, officials, media & public. Project web site under development. Potential utilization and expansion of the project continuing to be pursued including work with Health, Fire/Life/Safety, Education, Utility, Local Government, Business and private entities with concentration on economic and broadband opportunities. Several meetings with key groups (such as libraries, Fire Defense Board, Homeland Security etc). County Economic Development working on development plan with local businesses and telecom providers.

Preparation for Construction Activity Detail:

Proposed Route: Continued refinement and design of fiber optic routes. Fiber route adjusted to utilize new underground conduits from Water & Environmental Services. Fiber laterals to CAIs for construction phases 1 & 2 under final design within route submitted for FONSI. Phase 3-6 final routes under general design.
 Anchor Sites: Baseline list of CAI submitted. Phase 1 & 2 CAI adjustments under review. Communications with each CAI's technical and business management in progress.
 Service Providers: Continue discussions with potential service providers – especially local cable & telecom companies. Working to develop agreements with both Tier 2 providers for discount Internet service to local providers, and partnerships with local providers in both delivery of services and joint use of infrastructure.
 Project Management: Continue to refine project management elements including filing system, reporting and contracts.
 Design/Build Contractor: RFP awarded contract completed with NorthSky. Completed scope adjustments and schedules.
 Budget: Setup grant monitoring process and budget tracking with County Finance department. Continuing to work with NTIA on all the rules and procedures around In-Kind matching opportunities and begin required covenant or security interest documentation.
 Utility Pole Access: Completed amendment to pole attachment agreement with PGE. Coordinating with other pole owners and occupants for make ready work. Also coordinating with Cities on any required ROW permits.

Expenditures:

Given actual construction is not expected to begin until Feb-March 2011, there are no construction or equipment expenditures. There is some route design and Environmental contracting expenditures estimated at \$78,420 for the 4th Quarter. There is also some County staff time estimated at \$69,000.

Project Construction Activities:

Construction is not expected to begin until Feb-March 2011 depending on final build contractor schedule and NEPA approval.

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)
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	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2a.	Overall Project	2	Consistent with Baseline
2b.	Environmental Assessment	98	Need to submit final NEPA, Matrix Comments completed, need final FONSI - Baseline had at 80%
2c.	Network Design	16	Consistent with Baseline
2d.	Rights of Way	11	Consistent with Baseline
2e.	Construction Permits and Other Approvals	5	Consistent with Baseline
2f.	Site Preparation	0	Consistent with Baseline
2g.	Equipment Procurement	0	Consistent with Baseline
2h.	Network Build (all components - owned, leased, IRU, etc)	0	Consistent with Baseline
2i.	Equipment Deployment	0	Consistent with Baseline
2j.	Network Testing	0	Consistent with Baseline
2k.	Other (please specify): CAI Connection	0	Consistent with Baseline

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).

-Route Design: Given the complexity of the ring and lateral routes, and CAI adjustments, the final design of the route has been and continues to be an issue. The routes of the fiber rings is fairly stable, with only minor adjustments to utilize underground opportunities on long the current aerial route. The current and long term issue will be the required adjustment in CAI connections that will require not only changes in the CAI list but lateral routes as well. The project is working closely with the CAIs to minimize these adjustments, but with so many sites and variables, changes are inevitable requiring amendments to both Baseline and FONSI, as well as close coordination with BTOP.

-Local Communication Companies: The project is continuing its outreach efforts to find ways to benefit of these companies and/or utilize joint infrastructure to service CAI sites. Several proposals in the works.

-Matching Funds: The grant's in-kind match was based on 160 anchor sites using required electronic to connect the fiber. However, many sites are forced to use current in place equipment as part of the match. This forces a reduction in the value of their equipment that was to be used as potential match. The project is looking at other sources of match to make up the expected shortfall. The project will need assistance from BTOP to help in the determination and value of valid alternatives.

-Environmental Assessment: Given the limited time allotted, delayed procurement of a build contractor and changing route/anchor sites, the EA is has been a high priority and challenge to complete required studies and reviews before draft EA is due. BTOP has been a major help in prioritizing consultations and keeping progress moving.

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	Consistent with Baseline, no construction until FONSI approved.
New network miles leased	0	Consistent with Baseline, no construction until FONSI approved.
Existing network miles upgraded	0	Consistent with Baseline, no construction until FONSI approved.
Existing network miles leased	0	Consistent with Baseline, no construction until FONSI approved.
Number of miles of new fiber (aerial or underground)	0	Consistent with Baseline, no construction until FONSI approved.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	Consistent with Baseline, no construction until FONSI approved.

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	9
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: N/A

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:

This project only provides dark fiber. No lit services will be provided.

No service agreements have been signed. The project anticipates pricing plan of dark fiber pairs at \$250/month for government agencies and non-profits, and \$1000/month for commercial entities.

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).

Overall Management of the network will remain with Clackamas County, however, where the project leases or uses conduit / duct / fiber from third parties, the third parties will typically be responsible for maintaining those assets.

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	Consistent with Baseline
	Providers with signed agreements receiving improved access	0	Agreements are in process with Clackamas ESD & SandyNet
	Providers with signed agreements receiving access to dark fiber	0	Agreements are in process with Clackamas ESD & SandyNet
	Please identify the speed tiers that are available and the number of subscribers for each	2	1 GBPS - Standard for all providers (2 now, 4 possible) 10 GBPS - Available if electronics upgraded (0 currently)
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Construction to begin next quarter after receiving FONSI
	Subscribers receiving new access	0	Construction to begin next quarter after receiving FONSI
	Subscribers receiving improved access	0	Construction to begin next quarter after receiving FONSI

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Please identify the speed tiers that are available and the number or subscribers for each	0	1 GBPS - Standard for all connections 10 GBPS - Available if electronics upgraded
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).

The project does not offer any services, only dark fiber at published pricing.

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	FONSI just received, construction to begin next quarter.

Project Indicators (Next Quarter)

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

Summary:

Primary activities next quarter will concentrate on obtaining the FONSI, start construction of Phase 1, final engineering of Phases 2 & 3 communication with all CAIs, and determining changes in Match funding.

Key Milestones:

Network Design: Finalize detail engineering of Phase 1 & 2, start Phase 3. Develop fiber allocation model & private network design.

Network Build: Phase 1 fiber ring build, start laterals to CAIs.

Anchor Sites: Refine Phase 1,2,3 final CAI list, perform required Baseline / NEPA amendments

Agreements: Complete 2 agreements, continue 4 other discussions, outreach to several companies with IRU proposals

Site Preparation: Complete Phase 1 Site preparation

Rights of Way: Complete all Phase 1 ROW / Permits, begin Phase 2 ROW / Permits

Permits: Complete all Railroad Permits

Procurement: All fiber / installation equipment for Phase 1 & 2

Deployment: Build Phase 1 fiber ring, start laterals to CAIs

Network Testing: None

Expenditures: Phase 1 & 2 Equipment, CAI new network equipment, Phase 1,2,3 Engineering.

Grant Requirement Activity Detail:

Special Award Conditions: Complete updated Overlap Approved.

Baseline: Submit CAI & lateral route amendment.

Management: Updated CAI Packet and Agreement form.

Environmental Assessment: Receive final NEPA FONSI and construction approval.

Outreach: Continue and expand Outreach to CAI, providers and public. Develop and initiate Economic Development Plan in conjunction with County Economic Development Division. Continued communication with key CAI groups (Police, Fire, Health etc) and develop communication plans.

Construction Activity Detail:

Route: Continued refinement and design of ring and lateral routes. Final design of Phase 1 & 2, detail engineering start for Phase 3. Final integration of existing underground conduit opportunities. Begin construction of Phase 1.

Anchor Sites: Perform update Environmental Assessment on Phase 1 & 2 route adjustments and Anchor Sites. Submit Baseline & NEPA FONSI amendments for approval from BTOP.

Service Providers: Continue discussions with local service providers. Complete agreements with 2 current providers, goal to complete up to 4 more agreements currently in discussion.

Project Management: Continue to refine the project management elements including filing system, reporting and contracts.

Budget: Determine the approved alternatives for Match and allocation model. Submit budget amendment to BTOP.

Rights of Way: Complete all Phase 1 & 2 ROW agreements and permits.

Expenditures:

Phase 1 Construction (not Network) equipment procurement including fiber and mounting for approximately: \$461,204

Phase 1 & 2 Engineering fees / ROW for approximately: \$185,563

Phase 1 Construction: \$163,663

Project Staff time of approximately : \$69,000

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	10	Consistent with Baseline
2b.	Environmental Assessment	100	Consistent with Baseline
2c.	Network Design	39	Consistent with Baseline
2d.	Rights of Way	43	Consistent with Baseline
2e.	Construction Permits and Other Approvals	40	Consistent with Baseline
2f.	Site Preparation	15	Consistent with Baseline
2g.	Equipment Procurement	16	Consistent with Baseline
2h.	Network Build (all components - owned, leased, IRU, etc.)	3	Consistent with Baseline

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2i.	Equipment Deployment	0	Consistent with Baseline
2j.	Network Testing	0	Consistent with Baseline
2k.	Other (please specify): CAI Connection	0	Consistent with Baseline

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).

As with the previous quarter, there are several challenges facing the project over the next quarter:

- Route Design: Given the large number of Community Anchor Sites and the various issues related to final CAI determination, the final design of the route has been - and continues to be an issue. The Ring route is fairly stable, with only potential adjustments to utilize underground opportunities along the current aerial route. The current and long term issue will be the required adjustment in CAI connections (adjustments in the list due to politics, changing service needs, route issues etc) that will require not only changes in the CAI list but lateral routes as well. The project is working closely with the CAIs to minimize these adjustments, but with so many sites and variables, changes are inevitable requiring amendments to both Baseline and FONSI, as well as close coordination with BTOP.
- Matching Funds: The grant's in-kind match was based on 160 anchor sites using required electronic to connect the fiber. However, given their budget situation, many sites are forced to use existing equipment as part of the match. This forces a depreciated value to be used thus reducing match. The project is looking at other sources of match to make up the expected shortfall. The project will need assistance from BTOP to help in the determination and value of valid alternatives.

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	\$612,580	\$612,580	\$0	\$91,000	\$91,000	\$0	\$160,000	\$160,000	\$0
b. Land, structures, right-of-ways, appraisals, etc.	\$205,611	\$100,000	\$105,611	\$0	\$0	\$0	\$82,242	\$82,242	\$0
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$1,183,084	\$312,069	\$871,015	\$78,420	\$23,526	\$54,894	\$181,741	\$72,413	\$109,328
e. Other architectural and engineering fees	\$0	\$0	\$0	\$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	\$6,827,555	\$0	\$6,827,555	\$0	\$0	\$0	\$624,867	\$0	\$624,867
j. Equipment	\$2,320,000	\$2,320,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$11,148,830	\$3,344,649	\$7,804,181	\$169,420	\$114,526	\$54,894	\$1,048,850	\$314,655	\$734,195
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$11,148,830	\$3,344,649	\$7,804,181	\$169,420	\$114,526	\$54,894	\$1,048,850	\$314,655	\$734,195

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