

RECIPIENT NAME:OpenCape Corporation

AWARD NUMBER: NT10BIX5570039

DATE: 04/26/2012

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

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 NT10BIX5570039	3. DUNS Number 825181949
4. Recipient Organization OpenCape Corporation 3225 Main Street, Barnstable, MA 02630-1105		
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 Daniel Gallagher CEO	7c. Telephone (area code, number and extension) 5085245901	
	7d. Email Address dgallagher@opencape.com	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 04-26-2012	

Project Indicators (This Quarter)

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

OpenCape completed installation of 46 miles of fiber optic cable in Q1 2012, exceeding its projections.

OpenCape's contractor has received delivery of fiber reels totaling over 265 miles of fiber available for construction of the OpenCape fiber optic backbone. DWDM equipment was sent for assembly and configuration and returned to OpenCape to await installation in regeneration facilities.

Make ready work in the National Grid territory was completed in Q1 and nearly 40 miles of fiber installed in the National Grid territory. Make ready work in the NSTAR territory was reassessed to accommodate a new pole placement position to radically reduce the amount of make ready work required, and thus reduce the cost and time-line for completing make ready. OpenCape is engaged in a detailed process with both NSTAR and Verizon to expedite the remaining make ready, and establish a pace of make ready completion consistent with project timelines.

OpenCape has substantially progressed toward an easement from the Army Corps of Engineers to cross the Cape Cod Canal via the Vertical Lift Rail Road Bridge at the south end of the Canal. Engineering site visits resulted in necessary drawings and other analysis to support completion of an easement early in Q2 of 2012.

OpenCape has substantially progressed toward obtaining a sub-license placement within conduit on the Sagamore Bridge controlled by Verizon New England under an Army Corps of Engineers easement issued to Verizon. Verizon completed basket replacement on the bridge and desktop analysis of available conduit. OpenCape has paid for rod and roping of the conduits to occur early in Q2, 2012.

OpenCape is negotiating a contract for access to an existing riverbed conduit under the Taunton River in Fall River, MA following a successful rod and rope of the conduit in Q1 2012.

OpenCape continued to make significant progress in acquiring rights to access towers for placement of microwave equipment with five licenses nearly concluded by the end of Q1 2012.

OpenCape's building renovation contractor, Stateside Construction, continues on schedule to renovate the former Barnstable County Public Safety Building as a regional collocation center. IBM was selected to design the data center in the ground floor of the facility in Q1 of 2012 and immediately began design work.

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	47	OpenCape lags its Baseline Projection and federal expenditure pace for several reasons: 1) OpenCape pursued its grant with a construction contractor as a partner, but had to initiate a new RFP process six months into its grant; 2) the process of obtaining a Finding of No Significant Impact was far more lengthy than anticipated; 3) the process of negotiating the many legal contracts associated with the project has taken longer than anticipated; 4) Commonwealth of Massachusetts procurement laws have caused delays in obtaining underlying rights or leases from county and municipal entities; 5) the process of negotiating Master Agreements with utility pole and conduit owners took far longer than anticipated; 6) the capacity of utility companies to perform make ready assessment and make ready work is limited and insufficient using conventional processes; 7) pole survey and make ready work was negatively impacted by a Verizon strike and Hurricane Irene in August, and an unusual October 2011 Noreaster snow event; 8) the crossing of major waterways under difficult circumstances, lengthy processes, and high cost has required innovative and time consuming alternative strategy development; 9) Verizon New England reported in Q3 that it had erred in conduit availability and reduced by several thousand feet the amount available for lease, requiring adjustments by OpenCape; 10) an insufficient response to an RFP for the design, build, and operation of

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			the collocation data center resulted in the need to issue a separate RFQ for the design; 11) the need to implement an alternative pole placement in the NSTAR territory, to negotiate that placement, and perform a make ready reassessment was a major hurdle to beginning construction, but was unavoidable. OpenCape has adapted and adjusted to the challenges that have negatively impacted its time line, but is on pace with its PIP, and expects to complete the project on time.
2b.	Environmental Assessment	100	OpenCape received its original FONSI, but submitted an Environmental Assessment Amendment to reflect route and other changes. Approval of the EA Amendment was received in the fourth quarter of 2011.
2c.	Network Design	95	The design of the microwave, transport, and municipal RAN networks are complete and final fiber strand maps are near complete.
2d.	Rights of Way	75	All pole and conduit applications submitted, all assessments done, and all invoices for make ready paid. Pole make ready well underway and licenses flowing. Conduit applications all in at least rod and rope phase, with many in innerduct placement phase or license issued. OpenCape is negotiating agreements for the crossing of the Cape Cod Canal at two locations and the crossing of the Taunton River. Early delays have been overcome and agreements are expected in Q2 2012. Obtaining access to towers as leases under Massachusetts General Law Chapter 30B requirements proved too difficult to achieve in time to meet engineering and construction time-lines. A license is currently being sought for each tower with a parallel long term lease process.
2e.	Construction Permits and Other Approvals	85	Early delays caused by the transition to a new contractor have been overcome and OpenCape is fully engaged in the process of submitting applications for and receiving permits locally, with state agencies, railroad owners, and others.
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	77	OpenCape is on a path for procurement consistent with on time completion of the project. Over 75% of the fiber reels are in hand and all is expected to be delivered by June. Most switching, routing, and microwave equipment has been delivered. DWDM equipment assembly and configuration is complete. Elevator for the building has been ordered.
2h.	Network Build (all components - owned, leased, IRU, etc)	31	Sub-contractors for fiber construction have begun construction with 46 miles complete in Q1 2012. Approximately 3200 feet of conduit has been placed, representing approximately 25% of the new underground work required.
2i.	Equipment Deployment	25	Equipment deployment is dependent on the procurement of equipment, obtaining necessary rights and permits, engineering, and construction completion. It is anticipated equipment deployment will follow at an acceptable pace in parallel with fiber construction.
2j.	Network Testing	10	Network testing shall keep pace with the construction of segments of the network; however, a minor amount is accomplished upon delivery of fiber.
2k.	Other (please specify):	92	Additional contract work was required that has necessitated continued work through the fourth quarter. OpenCape Board has authorized up to \$525,000 additional to be expended in this milestone from Construction.

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).

OpenCape has overcome the make ready challenge to its project through cooperation with NSTAR and Verizon New England for a different placement on the poles. This was the greatest threat to on time and on budget completion of the project. OpenCape is working with both utilities in a weekly conference call to prioritize all make ready and expedite the make ready process. Both utilities will begin working in earnest on the remaining make ready in early Q2 2012. Approximately 185 poles must be replaced as part of the make ready. NSTAR is seeking a single process from Massachusetts Highway District 5 for all pole replacement permits to accelerate

the process. Keeping make ready completion ahead of construction crew availability remains the major challenge for the project.

Mass Highway has been a challenge to progress in that the pace of releasing essential permits is inadequate. OpenCape is working with Mass Highway to accelerate this process.

The Cape Cod National Seashore requires a permit for work within easements that cross its land. This was a late discovery and we will work this issue aggressively to ensure crews can install fiber in this territory in mid-April, 2012.

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	46	Exceeds projection within PIP. See Sections 2a and 3 above. OpenCape is confident that its build will be completed on time. The construction time line has been adjusted based on new circumstances. Contractors and sub-contractors are prepared to deploy the necessary crews to accomplish the construction within the period of the grant award.
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)	46	Exceeds projection within PIP
Number of new wireless links	0	Baseline
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	Baseline

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	0
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:
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 (100 words or less). 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 sub recipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this this third party operates (600 words or less).

OpenCape awarded a contract to CapeNet LLC to design, build, and operate the OpenCape network. CapeNet LLC is a joint venture

of Telecom Global Inc. and CapeNet Partners, Inc. CapeNet LLC is a contractor. The primary contact for CapeNet LLC is Alan Davis 1900 West Park Drive, Suite 280, Westborough, MA 01581, 508-983-1475. OpenCape has licensed CapeNet LLC to operate sixty percent (60%) of the total fiber optic strands (User Fibers) in both dark and lit services to fulfill the obligations of the grant award.

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 signed agreements in place. OpenCape and its design, build and operate contractor are engaging last mile providers in order to develop potential last mile solutions. Several companies are interested in offering services.
	Providers with signed agreements receiving improved access	0	No signed agreements in place. OpenCape and its design, build and operate contractor are engaging last mile providers in order to develop potential last mile solutions. Several companies are interested in offering services.
	Providers with signed agreements receiving access to dark fiber	0	No signed agreements for dark fiber lease have been signed with wholesale or last mile providers. OpenCape and its design, build and operate contractor are conducting outreach to encourage wholesalers and last mile provider leases.
	Please identify the speed tiers that are available and the number of subscribers for each	0	No speed tiers are as yet available as no wholesale or last mile provider agreements are yet in place.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	No CAI subscribers are yet served. OpenCape is addressing anchor institutions in several ways, to include aggressive community outreach. OpenCape founded the SmarterCape Partnership on Cape Cod and will hold the second SmarterCape Summit on May 14 and 15, 2012 to bring together the community to discuss OpenCape as an underpinning infrastructure of economic development, but more so on how the community can shape its future using broadband. OpenCape staff meet frequently with town, school, library, and college leaders, as well as many other stake holders to discuss the build process, time-line, and implications.
	Subscribers receiving new access	0	No CAI subscribers are yet served. OpenCape is addressing anchor institutions in several ways, to include aggressive community outreach. OpenCape founded the SmarterCape Partnership on Cape Cod and will hold the second SmarterCape Summit on May 14 and 15, 2012 to bring together the community to discuss OpenCape as an underpinning infrastructure of economic development, but more so on how the community can shape its future using broadband. OpenCape staff meet frequently with town, school, library, and college leaders, as well as many other stake holders to discuss the build process, time-line, and implications.
	Subscribers receiving improved access	0	No CAI subscribers are yet served. OpenCape is addressing anchor institutions in several ways, to include aggressive community outreach. OpenCape founded the SmarterCape Partnership on Cape Cod and will hold the second SmarterCape Summit on May 14 and 15, 2012 to bring together the community to discuss OpenCape as an underpinning infrastructure of economic development, but more so on how the community can shape its future using broadband. OpenCape staff meet frequently with town, school, library, and college leaders, as well as many other stake holders to discuss the build process, time-line, and implications.
	Please identify the speed tiers that are available and the number or subscribers for each	0	No service is yet available. Anticipate the full breadth of speeds from 10Mbps to 1000Mbps Ethernet, Wavelengths of Light, and Dark Fiber availability to CAIs.
Residential / Households	Entities passed	0	N/A
	Total subscribers served	0	N/A

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	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).
 Discounts for non-profits and government entities.

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

8b. If so, please describe the changes (300 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. 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
0	0	0	0	0

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 OpenCape will complete nearly 115 miles of fiber installation in Q2, 2012 for a total of approximately 160 miles complete by the end of the quarter.
 No CAI connections are projected for Q1 of 2012. No Last Mile Provider agreements are anticipated in Q1 of 2012.
 A contract for collocation will be completed with Lighttower for 235 Promenade Street, Providence, RI, and an agreement will be reached for collocation at 200 Mill Road, Fairhaven, MA. Verizon Central Office rights will be obtained for the Brockton, Plymouth, Cataumet, and Falmouth, MA Central Offices in Q2 of 2012.
 The Regional Collocation Center general renovation will be 80% complete in Q2 of 2012. The Regional Collocation Center Data Center Design will be completed in Q2 of 2012 and an RFP for the Construction of the Data Center will be issued in Q2.
 An easement from the Army Corps of Engineers for the Vertical Lift Rail Road Bridge at the south end of the Cape Cod Canal will be obtained in early Q2 of 2012.
 Verizon will be authorized by the Army Corps of Engineers to sub-license a portion of one of twelve conduits it controls under easement from the Army Corps on the Sagamore Bridge to OpenCape. Verizon will complete rod and roping of conduit on the Sagamore Bridge to identify a path for placement of the OpenCape fiber within an innerduct.
 An agreement will be concluded for access to an existing riverbed conduit in the Taunton River in Q2 of 2012.
 Tower rights will be obtained for water towers in Provincetown, Wellfleet, Harwich, Orleans, and Yarmouth, as well as the Barnstable

and Truro Communications towers, the Woods Hole Oceanographic Institution Clark Tower, and the American Tower Edgartown facility in Q2 2012. Rights will be obtained for Cotuit and Falmouth Water Towers in Q3.

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	62	OpenCape remains behind its original baseline for reasons described in Sections 2a and 3 above. However, OpenCape has adjusted and is on target for on time completion based on its revised construction schedule. OpenCape expects to complete the project on time by taking advantage of built in flexibility within its original plan and creating flexibility by compressing certain aspects of the project such as the installation of fiber within a more aggressive timeline. OpenCape anticipates expending in total over 62% of its funds by the end of this quarter, but anticipates the true project progress to be much higher based on an assessment of tasks and milestones that will be complete or near complete.
2b.	Environmental Assessment	100	Complete
2c.	Network Design	99	The design of the microwave, transport, and municipal RAN networks are complete and final fiber strand maps will be nearly completed.
2d.	Rights of Way	90	OpenCape expects to secure underlying rights to the Cape Cod Canal and Taunton River crossings this quarter. Obtaining these rights has taken longer than anticipated. OpenCape anticipates obtaining licenses to necessary towers in this quarter. Obtaining access to municipal towers has proven much more difficult and time consuming than anticipated, largely due to Commonwealth of Massachusetts procurement laws. Pole licenses from pole owners are flowing in this quarter and expected to maintain a pace consistent with the construction plan.
2e.	Construction Permits and Other Approvals	95	Early delays have been overcome and OpenCape is fully engaged in the process of submitting applications for and receiving permits locally, with state agencies, railroad owners, and others.
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	97	OpenCape is on a path for procurement consistent with on time completion of the project. Nearly all fiber is expected to have been delivered by the end of Q2 2012. Switching, routing, DWDM, and microwave radio equipment is on hand to for installation upon receipt of leases for regeneration sites and towers.
2h.	Network Build (all components - owned, leased, IRU, etc.)	60	Network Build is greatly dependent on make ready completion. It is therefore delayed when compared with baseline, but fast approaching a pace consistent with the projected construction timeline. A complete make ready reassessment in the NSTAR territory was required, but has been completed, all make ready work orders generated, and all invoices paid for make ready to begin. OpenCape holds weekly conference calls with pole owners to expedite and coordinate on make ready.
2i.	Equipment Deployment	65	Equipment is on hand to support construction and deployment timelines. As underlying rights to facilities are obtained the equipment will be deployed. It is anticipated that equipment deployment will maintain a pace supportive of fiber build, and as rights to regeneration sites and towers are obtained.
2j.	Network Testing	20	Network testing shall keep pace with the construction of segments of the network; however, a minor amount is accomplished upon delivery of fiber.
2k.	Other (please specify):	95	Additional contract work was required that has necessitated continued work through the fourth quarter.

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 primary challenge to on time completion at this time is the pace of make ready by utilities and the speed with which Massachusetts Highway District 5 releases state highway permits.

The crossing of the Cape Cod Canal in two locations and the crossing of the Taunton River have represented challenges to the project. However, negotiation of agreements to cross in all three locations are underway and appear that they will be concluded in the second quarter.

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Tower licenses have also posed a challenge, but appear set for near term agreements to permit microwave construction to begin in Q2 2012.

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	\$1,280,532	\$419,300	\$861,232	\$1,360,062	\$416,184	\$943,878	\$1,530,000	\$416,191	\$1,113,809
b. Land, structures, right-of-ways, appraisals, etc.	\$750,000	\$750,000	\$0	\$750,000	\$750,000	\$0	\$750,000	\$750,000	\$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	\$1,515,885	\$325,000	\$1,190,885	\$1,472,158	\$520,925	\$951,233	\$1,572,000	\$495,000	\$1,077,000
f. Project inspection fees	\$814,114	\$165,000	\$649,114	\$72,000	\$9,000	\$63,000	\$125,000	\$40,000	\$85,000
g. Site work	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$100,000	\$20,000	\$80,000	\$88,484	\$85,654	\$2,830	\$98,000	\$85,654	\$12,346
i. Construction	\$24,364,298	\$4,110,000	\$20,254,298	\$8,526,788	\$2,106,217	\$6,420,571	\$13,000,000	\$2,500,000	\$10,500,000
j. Equipment	\$11,336,564	\$2,300,000	\$9,036,564	\$6,465,505	\$347,207	\$6,118,298	\$8,000,000	\$800,000	\$7,200,000
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$40,161,393	\$8,089,300	\$32,072,093	\$18,734,997	\$4,235,187	\$14,499,810	\$25,075,000	\$5,086,845	\$19,988,155
m. Contingencies									
n. TOTALS (sum of l and m)	\$40,161,393	\$8,089,300	\$32,072,093	\$18,734,997	\$4,235,187	\$14,499,810	\$25,075,000	\$5,086,845	\$19,988,155

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: \$5,000,000	b. Program Income to Date: \$1,827,337
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