

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 NT10BIX5570047	3. DUNS Number 127973282
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4. Recipient Organization Northwest Open Access Network 5802 Overlook Avenue NE, Tacoma, WA 98422-1435
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5. Current Reporting Period End Date (MM/DD/YYYY) 06-30-2011	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 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): 08-15-2011
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Project Indicators (This Quarter)			
<p>1. Please describe significant project accomplishments completed during this quarter (600 words or less).</p> <p>Increased construction activities highlighted the quarter, with numerous areas around the State starting to see the benefits of the past year of planning, permitting and preparation. Some Sub Recipient construction activity began in select parts of the state with other sub recipients in process of finalizing contracts. Finalization of permitting, easement acquisition, and Rights of Way for projects scheduled for completion during 2011 is taking place.</p>			
<p>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).</p>			
	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2a.	Overall Project	10	The overall project is lagging the Baseline as the project had originally intended to start construction in the third quarter of the first year of the project. Additional resources and adjustments to the project time line have been made to insure a timely completion as outlined by the program.
2b.	Environmental Assessment	98	The Environmental Assessment is substantially complete.
2c.	Network Design	85	No variance.
2d.	Rights of Way	70	Rights of Way acquisition continued on routes selected for construction in 2011 and this metric is expected to concur with the Baseline projections by then end of 2011.
2e.	Construction Permits and Other Approvals	60	Permitting for routes initially projected for construction in the second year of the project life cycle are in process. This metric is anticipated meeting projections by the end of 2011.
2f.	Site Preparation	45	Site preparation is only slightly behind Baseline projections and is anticipated to meet projections over the next two quarters.
2g.	Equipment Procurement	30	A majority of Equipment is comprised of In Kind Assets currently being reviewed for approval. Once approved and booked to the project, this metric will meet or exceed projections.
2h.	Network Build (all components - owned, leased, IRU, etc)	2	This category was originally projected to start much earlier than it actually did. Based on the Environmental approval process taking longer than anticipated, this metric will not meet Baseline projections until sometime during the final year of the project.
2i.	Equipment Deployment	25	As was mentioned under 'Equipment Procurement' above, a large amount of Equipment is in the form of In Kind assets being contributed towards the Project. Once approved, this metric will be met or exceeded.
2j.	Network Testing	5	Network Testing will be performed as the build progresses and services are turned up. Current projections indicate this metric will lag until quarter three of year three of the project.
2k.	Other (please specify): N/A	0	N/A
<p>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).</p> <p>An overly aggressive Baseline projection coupled with unanticipated challenges with cultural clearance and easement acquisition created an on going challenge as it relates to measuring performance to the metrics originally forecasted.</p>			
<p>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).</p>			

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
New network miles deployed	27	Initial Baseline projections had construction and Network Build taking place in quarter three of the project life cycle and as previously stated those items are behind schedule due to the length of time it took to receive approval on the Environmental Assessment.
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)	27	See narrative under 'New Network miles deployed' above.
Number of new wireless links	0	Wireless links, as part of this project, were originally scheduled to be in operation. Due to delay in the initial start of construction, this phase has not yet started.
Number of new towers	0	See narrative under "new wireless links" above.
Number of new and/or upgraded interconnection points	0	Interconnection points have not been made available yet as indicated by the delay in start of construction of the network. As the project progresses and 'points' are added to the network, this number will be updated and provided.

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	42
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 42 signed agreements referred to above are comprised of 36 pre-existing wholesale customers of NoaNet with Agreement start dates pre-dating the Broadband Technology Opportunities Program award and six (6) new agreements in the past four quarters. These contracts have non-disclosure provisions that prohibit public release of their specific names without prior consent. The list of pre-existing customers has been previously provided to NTIA under separate cover as "Privileged and Confidential" sales-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 wholesale services being provided as a result of this funding since construction has just recently started within this quarter. As the network is built and put into service this list will be updated and data will be 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 third party operates (600 words or less).

Subrecipients:

Sawnet, c/o Sawtooth Technologies, 50 SE Cascade Ave, Stevenson, WA 98648 509-427-4865
 Black Rock Cable, Inc., 1512 Fairview St., Bellingham, WA 98229 360-738-3116

Network drawings have been previously provided.

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	As was indicated earlier, construction was started this quarter. As a result, Baseline projections of having service up and operational as a result of this funding will occur later than originally forecasted. Progress is anticipated on this milestone as the project proceeds throughout the year.
	Providers with signed agreements receiving improved access	0	The narrative above is the same for those with improved access as well.
	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	With the Network Build in it's infancy with regards to construction, and service not yet initiated, no subscribers have received service. Progress is anticipated on this milestone as the project proceeds throughout the year.
	Subscribers receiving new access	0	This milestone narrative would be the same as above.
	Subscribers receiving improved access	0	This milestone narrative would mirror what was stated in 'Total subscribers served' above.
Residential / Households	Please identify the speed tiers that are available and the number of subscribers for each	0	None at this stage in the construction phase.
	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
Businesses	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
	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

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

None at this stage in the project timeline.

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).
 A significant amount of construction activities will be taking place throughout the State with projects underway in the east side and southwest portions of Washington. Job growth through these activities will continue to build as we award additional construction contracts and add segments of the project slated for construction this quarter.

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	33	Expenditures are lagging Baseline projections as construction activities were originally forecasted much earlier in the project time line. In Kind assets were included in this calculation and their approval date is not yet known.
2b.	Environmental Assessment	100	No variance.
2c.	Network Design	95	No variance.
2d.	Rights of Way	90	Right of Way acquisition is progressing against the current milestone and should be completed by year end. Minimal acquisition will remain going into the final year of the project.
2e.	Construction Permits and Other Approvals	80	Permitting at all levels continues with a completion date of December 31, 2011 anticipated.
2f.	Site Preparation	65	No variance.
2g.	Equipment Procurement	77	A significant amount of Equipment for this project is in the form of In Kind assets currently under review for acceptance by the Program Office. Once approved we will meet the baseline by the end of this quarter.
2h.	Network Build (all components - owned, leased, IRU, etc.)	15	Network build, although currently lagging the milestone compared to the Baseline, this metric will be met by the end of the project. Additional resources as required will added to insure compliance with the guidelines.
2i.	Equipment Deployment	70	This metric will be exceeded as a result of adding the In Kind assets in this quarter.
2j.	Network Testing	15	Network testing is anticipated to continue as the Network Build is taking place.
2k.	Other (please specify): N/A	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).
 Approval of the In Kind asset valuation is anticipated to occur in this quarter. Any assistance with expediting the process would be greatly appreciated.

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	\$1,385,673	\$0	\$1,385,673	\$0	\$0	\$0	\$0	\$0	\$0
b. Land, structures, right-of-ways, appraisals, etc.	\$3,845,935	\$3,574,685	\$271,250	\$4,000	\$0	\$4,000	\$3,500,000	\$3,455,000	\$5,000
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$5,193,245	\$0	\$5,193,245	\$2,784,033	\$246	\$2,783,787	\$4,200,000	\$0	\$4,200,000
e. Other architectural and engineering fees	\$2,136,368	\$0	\$2,136,368	\$1,662,144	\$0	\$1,662,144	\$2,500,000	\$0	\$2,500,000
f. Project inspection fees	\$8,194,858	\$0	\$8,194,858	\$2,286,890	\$2,949	\$2,283,941	\$3,000,000	\$0	\$3,000,000
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	\$70,065,546	\$11,209,538	\$58,856,008	\$411,548	\$255,608	\$155,940	\$7,500,000	\$5,000,000	\$2,500,000
j. Equipment	\$15,517,288	\$7,414,371	\$8,102,917	\$2,742,881	\$0	\$2,742,881	\$14,000,000	\$9,000,000	\$5,000,000
k. Miscellaneous	\$207,678	\$0	\$207,678	\$137,433	\$0	\$137,433	\$170,000	\$0	\$170,000
l. SUBTOTAL (add a through k)	\$106,546,591	\$22,198,594	\$84,347,997	\$10,028,929	\$258,803	\$9,770,126	\$34,870,000	\$17,455,000	\$17,375,000
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$106,546,591	\$22,198,594	\$84,347,997	\$10,028,929	\$258,803	\$9,770,126	\$34,870,000	\$17,455,000	\$17,375,000

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: \$2,022,249 b. Program Income to Date: \$0