

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
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4. Recipient Organization

California Broadband Cooperative, Inc. 1101 Nimitz Ave, Vallejo, CA 94592-1014

5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2013	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 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): 02-24-2014
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Project Indicators (This Quarter)

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

Construction/Provisioning:

- Placed an additional 43 miles of conduit for a total of 544 miles
- Placed an additional 59 miles of fiber cable for a total of 562 miles
- Placed an additional 191 vaults for a total of 668 vaults
- Completed conduit construction in (3) additional backbone segments, most notably the long delayed final backbone segment through the Inyo National Forest (M122)
- Splicing completed in 10 backbone segments allowing for complete network turn up
- Completed distribution conduit construction, cable placing and splicing in (9) communities including China Lake Naval Air Weapons Station
- Completed 46 CAIs (182 Total) & 12 POIs (44 Total) service connections
- Electronics installed and configured at all remaining nodes
- Circuit designs and provisioning completed or initiated at 60 anchors and POI's

Right of Way:

- Acquired Bureau of Indian Affairs approval to start construction of the Lone Pine Tribal extension
- Acquired Bramlette private property Right of Way Agreement, the Bureau of Land Management and the Sierra Land Trust approval to commence construction work on M129 in Benton
- Acquired City of Ridgecrest, town of Mammoth and Kern County permits for remaining distribution and anchor sites
- Began closing out agency project construction permits

Environmental

- June lake backbone route change approved
- Received full clearance to complete remaining work in M122 delayed by the Inyo National Forest
- Continued to work with the NTIA to conclude Anchor site route changes

Administrative:

- Extensive focus on reviewing completed construction as-builts necessary for project closure
- Delivered bi-Monthly Reports on project process to the California Public Utility Commission Staff
- Continued to scale down administrative staff and field personnel

Logistics:

- Began process to liquidate un-needed equipment

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	100	Late permitting for the Johannesburg Community work and a ROW private property issue in Benton did not get resolved until late December 2013. Construction work was carried over into 2014 because of it. We have expended 101% of our overall budget.
2b.	Environmental Assessment	99	1% Variance - Anchor service connection re-routes still pending approval by the NTIA.
2c.	Network Design	100	No Variance
2d.	Rights of Way	100	No Variance
2e.	Construction Permits and Other Approvals	100	No Variance
2f.	Site Preparation	100	No Variance
2g.	Equipment Procurement	100	No Variance
2h.	Network Build (all components - owned, leased, IRU, etc)	99	1% Variance - Service connections to Community Anchor Institutions and Points of Interconnections are still being tested due to the earlier delays in completing project construction.
2i.	Equipment Deployment	100	No Variance

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2j.	Network Testing	95	5% Variance - An issue has surfaced with the Network Interface Device and the Operational Support System that has delayed Community Anchor Institutions and Points of Interconnection service activation. The problem has been escalated to the equipment providers for resolution.
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).

Fortunately with the additional funding provided by the California Public Utility Commission the California Broadband Cooperative was able to complete most of the originally planned project objectives. The only residual area needing prompt resolution by National Telecommunication Infrastructure Association is the approval of the remaining Community Anchor Institution re-route requests. Two months of delay were caused by additional permit requirements by the Eastern Sierra Land Trust in the area between Benton and the Benton Reservation on Highway 120 (Segment M129).

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	562	Variance of 21 miles to target of 583. Again, we are realizing that the initial project objective was an engineering estimate not based on actual completed engineering designs which is proving to have been overstated. Actual cable placed to be trued of end of first quarter 2014.
New network miles leased	0	NA
Existing network miles upgraded	0	NA
Existing network miles leased	0	Variance of 30 miles. We will not be leasing the 30 miles of fiber. The fiber is owned by California Broadband and placed in leased Zayo conduit.
Number of miles of new fiber (aerial or underground)	562	Variance of 21 miles to target of 583. Again, we are realizing that the initial project objective was an engineering estimate not based on actual completed engineering designs which is proving to have been overstated. Actual cable placed to be trued of end of first quarter 2014.
Number of new wireless links	0	NA
Number of new towers	0	No towers constructed on project. While in the base plan, the towers were removed due to Environmental Assessment requirements.
Number of new and/or upgraded interconnection points	44	Variance of 24 due to final end service point connections being completed. The remaining interconnection points will be completed in Q1 2014

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	8
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. - Purchased wholesale middle mile dark fiber between Reno and Barstow.
 Suddenlink - Signed agreement for dark fiber
 Level 3 - Signed Interconnection Agreement for collocation and peering for Barstow and Reno
 AT&T Nevada - Signed interconnection agreement for NV
 Verizon California - Signed interconnection agreement for California
 Plumas Sierra - Signed internet and collocation agreement
 Lone Pine TV - Intenet Access
 SchatNet - Internet Access and Transport

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:
 We have signed an agreement with Plumas Sierra, Lone Pine TV and SchatNet (See Attached)

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).
 Inyo Networks is presently designated as the vendor who will operate entire network its upon completion. This party will serve as a contractor when operating the network.
 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	5	Ahead by 3 - Installation of our backbone has created more competition in the region
	Providers with signed agreements receiving improved access	0	Variance of 2 - Still in negotiation with last mile providers to improve access
	Providers with signed agreements receiving access to dark fiber	3	Ahead by 1 - Installation of our backbone has created more competition in the region
	Please identify the speed tiers that are available and the number of subscribers for each	2	3 subscribers at 50MB 1 subscriber at 1GB, 1 subscriber at 500MB and 1 subscriber at 2GB
Community Anchor Institutions (including Government institutions)	Total subscribers served	182	Variance of 55 - Laterals and anchor connections not complete. End point interconnections have not completed.
	Subscribers receiving new access	182	Variance of 55 - Laterals and anchor connections not complete. End point interconnections have not completed.
	Subscribers receiving improved access	0	Last Quarter we reported 0
	Please identify the speed tiers that are available and the number or subscribers for each	1	3 subscribers at 50MB and 1 subscriber at 1 GB
Residential / Households	Entities passed	0	NA
	Total subscribers served	0	NA
	Subscribers receiving new access	0	NA

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	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).

Active Ethernet, dark fiber, 10Gbps and wavelength.

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

8b. If so, please describe the changes (300 words or less).

NA

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
SEE ATTACHED	SEE ATTACHED	SEE ATTACHED	SEE ATTACHED	SEE ATTACHED

Project Indicators (Next Quarter)

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

Complete all conduit, cable placing and splicing on the remaining network. Test and verify the physical connection from all anchors and POI's to the Nodes. Configure network electronics on backbone and nodes to assure ongoing network stability and redundancy. Turn up all services to customer specification. Close-out construction permits and open ongoing operational permits as required by agencies. Transition to operational mode and begin project close-out. We will add 4 miles of conduit for a total of 548, 26 miles of cable for a total of 588 and connect 70 anchors for a total of 271. We will sign 2 broadband wholesaler/last mile provider agreements with Frontier and Race Telecom

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	100	We will expend 107% of our overall budget.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2b.	Environmental Assessment	100	No Variance
2c.	Network Design	100	No Variance
2d.	Rights of Way	100	No Variance
2e.	Construction Permits and Other Approvals	100	No Variance
2f.	Site Preparation	100	No Variance
2g.	Equipment Procurement	100	No Variance
2h.	Network Build (all components - owned, leased, IRU, etc.)	100	No Variance
2i.	Equipment Deployment	100	No Variance
2j.	Network Testing	100	No Variance
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).
 Unforeseen administrative complexities in the project close-out process including approvals or asset sales. Failure to achieve approval on route change.

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	\$12,200,574	\$1,905,681	\$10,294,893	\$13,694,893	\$3,400,000	\$10,294,893
b. Land, structures, right-of-ways, appraisals, etc.	\$2,285,826	\$457,166	\$1,828,660	\$2,141,817	\$577,558	\$1,564,259	\$2,164,259	\$600,000	\$1,564,259
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	\$4,455,295	\$318,422	\$4,136,873	\$4,536,873	\$400,000	\$4,136,873
e. Other architectural and engineering fees	\$2,906,663	\$581,333	\$2,325,330	\$8,827,755	\$1,507,768	\$7,319,987	\$9,119,987	\$1,800,000	\$7,319,987
f. Project inspection fees	\$164,635	\$32,927	\$131,708	\$971,655	\$272,034	\$699,621	\$1,049,621	\$350,000	\$699,621
g. Site work	\$314,813	\$62,963	\$251,850	\$1,414,822	\$275,318	\$1,139,504	\$1,489,504	\$350,000	\$1,139,504
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$69,013,409	\$13,802,688	\$55,210,721	\$64,822,747	\$14,893,148	\$49,929,599	\$68,866,898	\$18,937,299	\$49,929,599
j. Equipment	\$8,573,312	\$1,714,663	\$6,858,649	\$7,034,196	\$992,061	\$6,042,135	\$7,442,135	\$1,400,000	\$6,042,135
k. Miscellaneous	\$61,800	\$12,360	\$49,440	\$133,059	\$111,142	\$21,917	\$221,917	\$200,000	\$21,917
l. SUBTOTAL (add a through k)	\$101,435,997	\$20,287,209	\$81,148,788	\$102,001,920	\$20,853,132	\$81,148,788	\$108,586,087	\$27,437,299	\$81,148,788
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$101,435,997	\$20,287,209	\$81,148,788	\$102,001,920	\$20,853,132	\$81,148,788	\$108,586,087	\$27,437,299	\$81,148,788

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: \$199,525