

**QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS**

General Information		
<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b>  Department of Commerce, National Telecommunications and Information Administration	<b>2. Award Identification Number</b>  NT10BIX5570098	<b>3. DUNS Number</b>  831438424
<b>4. Recipient Organization</b>  California Broadband Cooperative, Inc. 1101 Nimitz Ave, Vallejo, CA 94592-1014		
<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  12-31-2011	<b>6. Is this the last Report of the Award Period?</b>  <input type="radio"/> Yes <input checked="" type="radio"/> No	
<b>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.</b>		
<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Robert Volker	<b>7c. Telephone (area code, number and extension)</b>  X	
	<b>7d. Email Address</b>  Rvolker@digital395.com	
<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  02-17-2012	

**Project Indicators (This Quarter)**

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

Grants Administration

- Completed CBC annual financial audit
- Initial Praxis sub-recipient audit completed complete
- Held November Board Meeting with independent directors

Legal and Regulatory

- Received California Certificate of Public Convenience & Necessity
- Completed negotiations and received approval on License Agreements with Mono and Inyo Counties
- Completed negotiations on Zayo fiber agreement
- Completed Pole & Conduit agreements with Verizon and ATT

Network Planning and Engineering

- Finalized 72 of 82 segment working drawings for backbone
- Submitted all District 9 drawings for Encroachment permits
- Completed site plans for all but one node site
- Completed all fiber assignment plans

Environmental Assessment

- Received CA Environmental Quality Act approval
- Finalized Programmatic Agreement & identified communication plan
- Identified and mapped all cultural sites
- Submitted Draft Biological Assessment for review
- USFWS Reviewed draft Biological Assessment
- Submitted permits for Army Corps of Engineers
- Finalized Storm Water Pollution Prevention Plan, Spill Pollution Prevention Plan and Horizontal Direct Drilling plans
- Submitted permits for Water, Air Quality and CA Fish and Game
- Finalized Monitoring/Mitigation Plan and resolved protocol for Botanical treatments

Project Management

- Implemented Project Information and Control Center
- Implemented three depot sites and received 80 trench miles of conduit / vaults

Rights of Way

- Finalized US Forest Service and Bureau of Land Management applications
- Completed US Navy survey cadastral for China Lake and Hwy 178
- Successfully completed Allotment notification in Nevada
- Completed all Tribal Council Meeting for jobs, right of way and services
- Continued extensive negotiations with LA Department of Water & Power for right of way and Fees
- Complete Department of Transportation Encroachment packages,
- Identified and worked with Caltrans to resolve right of way on Hwy 58

Procurement

- Awarded a \$1.7MM contract for Node Buildings
- Issued Request for Proposal and Awarded Sub-Recipient Monitoring Contract to ICF
- Issued Request for Proposal for Environmental Monitoring services
- Issued Request for Proposal for engineering services on distribution design
- Received initial bids for fiber electronics

**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	14	34% Variance - In the areas we control, we've made significant progress. In areas where others control (permits) we have been restrained.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2b.	Environmental Assessment	95	5% Variance- 110 additional cultural sites identified and three signatories added to Programmatic Agreement that increases scope of work. Potential requirement to recirculate the Master Cultural Resources Report of complete cycle of signatories after a 30 day review period. Due to the additional work added our overall percentage decreased 3% since last quarter.
2c.	Network Design	85	Ahead 22% - Backbone cable design completed, distribution engineering 60% complete and 67% of anchor site surveys completed.
2d.	Rights of Way	95	5% Variance - Private ROW issues, BIA and Tribal issues to be resolved .
2e.	Construction Permits and Other Approvals	75	25% Variance - Backbone pending 30-60 day agency review cycle. Most construction permits are formerly issued "at the counter" immediately before segment construction begins.
2f.	Site Preparation	25	75% Variance - Architectural renderings and site engineering complete and site prep RFP issued. No construction has begun due to lack of FONSI.
2g.	Equipment Procurement	60	Ahead 6% - All major items to build backbone (conduit, cable, and vaults) have been contracted.
2h.	Network Build (all components - owned, leased, IRU, etc)	10	34% Variance - Material deliveries substantially underway. All depots sites established and fully operational.
2i.	Equipment Deployment	12	33% Variance - Receiving deliveries of cable, conduit and vaults in northern construction zone. Tools, equipment and motor vehicles acquired.
2j.	Network Testing	0	6% Variance - Construction Not Started
2k.	Other (please specify):	0	NA

3. To the extent not covered above, please describe any challenges or issues faced during this past quarter in achieving planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).

Delays in obtaining permits from Federal agencies have delayed FONSI and subsequent progress in construction. Contractors are in place, materials have been in production and delivered; engineering products have met all agency standards and have been certified. BTOP staff has already been assisting in moving permitting processes forward.

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	Construction not started
New network miles leased	0	NA
Existing network miles upgraded	0	NA
Existing network miles leased	0	No Variance, Construction not started
Number of miles of new fiber (aerial or underground)	0	Construction not started
Number of new wireless links	0	NA
Number of new towers	0	Construction not started
Number of new and/or upgraded interconnection points	0	No Variance, Construction not started

For questions 5 and 6 please include information relating to agreements that you are negotiating or have entered into, or that your sub

recipient, contractor or subcontractor is negotiating or entered into.

5a. If applicable, please provide the following information with regard to agreements with broadband wholesalers and/or last mile providers as a result of your project.

Indicators	
Number of signed agreements with broadband wholesalers or last mile providers	1
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	12
Average term of signed agreements (in quarters)	80

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:  
 ZAYO Group, LLC.  
 ZAYO Group has purchased wholesale middle mile dark fiber from us between Reno and Barstow.

5c. What wholesale services are being provided by this project? Please describe below. As an attachment to this report, please provide pricing plans (in \$ per month) associated with each wholesale service provided by your product (100 words or less). Wholesale services description:  
 Presently wholesale services are not being provided, construction not started

5d. If you have designated a third party to operate all or a portion of your network, please provide the name and contact information for this third party, indicate if this entity is a sub recipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this this third party operates (600 words or less).  
 Inyo Networks is presently selected as contractor who will operate entire network upon completion and pending independent CBC Board approval.  
 Michael Ort - Chief Executive Officer  
 1101 Nimitz Avenue  
 Vallejo, CA 94592-1014  
 Phone (510) 599-4062

6. Please provide the data according to the type of subscriber. Write "0" in the Total column and "N/A" in the Narrative column if your project does not pass or serve a particular subscriber type. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (300 words or less).

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Broadband Wholesalers or Last Mile Providers	Providers with signed agreements receiving new access	0	No Variance, Construction Not Started
	Providers with signed agreements receiving improved access	0	No Variance, Construction Not Started
	Providers with signed agreements receiving access to dark fiber	0	No Variance, Construction Not Started
	Please identify the speed tiers that are available and the number of subscribers for each	0	No Variance, Construction Not Started
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	No Variance, Construction Not Started
	Subscribers receiving new access	0	No Variance, Construction Not Started
	Subscribers receiving improved access	0	No Variance, Construction Not Started
	Please identify the speed tiers that are available and the number or subscribers for each	0	Construction Not Started

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Residential / Households	Entities passed	0	NA
	Total subscribers served	0	NA
	Subscribers receiving new access	0	NA
	Subscribers receiving improved access	0	NA
	Please identify the speed tiers that are available and the number of subscribers for each	0	NA
Businesses	Entities passed	0	NA
	Total subscribers served	0	NA
	Subscribers receiving new access	0	NA
	Subscribers receiving improved access	0	NA
	Please identify the speed tiers that are available and the number of subscribers for each	0	NA

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

NA

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
NONE	NONE	NONE	NONE	NONE

Project Indicators (Next Quarter)

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

Grants Administration

- Complete PIP and submit to NTIA

Legal and Regulatory

- Meet all California Public Utility Commission requirements for project implementation
- Complete license agreement with LADWP
- Complete license agreement with Kern County
- Pass resolutions for All County License Agreements

Network Planning and Engineering

- Complete all backbone engineering segments, including cultural site data

- Complete Distribution Planning and strand allocation
- Complete remaining field survey work for Distribution and backbone reroutes
- Complete 60% of Distribution working drawings
- Validate all anchor locations and completed site surveys
- Complete design of Node interiors
- Complete network architecture for electronics

Environmental Assessment

- Receive Finding of No Significant Impact (FONSI)
- Finalize Mitigation, Monitoring and Reporting Plan
- Finalize all Segment Reports for Environmental Sensitive Areas (Cultural sites)
- Complete Biological Opinion with US Fish and Wildlife
- Receive permits from Army Corps of Engineers, Water Quality Boards, and CA Fish and Game for water shed management
- Receive approval on Storm Water Pollution Prevention Plan for CA and NV
- Implement Mitigation and Monitoring Controls with selected vendor

Project Management

- All Depots actively receiving supplies
- 175 miles of fiber cable to be shipped or received
- Receive conduit, vaults and related supplies for 240 trench miles
- Hire, train and deploy field inspectors
- Complete Project Tracking database
- Deploy ARRA signs on route

Rights of Way

- Issue USFS and BLM special use permits
- Complete all permits for China Lake completed
- Receive all BIA permits issued, Complete permission to use Allotment lands completed
- Complete LADWP Agreement and Permission to Construct
- California and Nevada DOT Encroachment Permits to be reviewed and granted
- Purchase all Nevada private easements
- Resolve rights of way issues on Hwy 58

Procurement

- Award Mitigation and Monitoring Contract to Vendor
- Award Contract for Electronics Vendors and issue purchase orders
- Issue RFP and award for Splice Cases and Apparatus
- Acquire Placing vehicles and equipment
- Award contract for Node site preparation
- Acquire node sites

Network Construction

- Site preparation underway in several locations on route
- Execute pre-construction requirements for Monitoring and Mitigation Requirements
- Begin underground conduit in 20 pre-cleared segments in the Programmatic Agreement.

Key Indicators

- New network miles deployed - 0
- New network miles leased - 0
- Total CAI subscribers served (CAIs connected) - 0
- Number of signed agreements with broadband wholesalers or last mile providers - 1

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)

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	Overall Project	27	Underrun of baseline by 31% -- while all pre-construction activities for the project are essentially complete, challenges initiating construction account for the underrun, due to delays in FONSI and related permits.
2b.	Environmental Assessment	95	Under-run by 5% -- While biological issues will resolve and the FONSI be issued, reissuing of the Programmatic Agreement for signature and the review of an additional 110 cultural sites will extend the site reviews into the May timeframe.
2c.	Network Design	85	Exceed baseline by 11% -- Working drawings of backbone complete in all sections, 70% of distribution plant finalized, completion of Anchor site surveys
2d.	Rights of Way	95	Under-run of baseline by 5% -- Rights of Way in a 6.4 mile section of Hwy 58 and select tribal lands will require additional time for resolution. Initiatives on the private sections are underway and BIA processes have begun with tribal councils and allotments.
2e.	Construction Permits and Other Approvals	80	Underrun of baseline by 20% - Mitigation plans and construction permits will not be issued until just prior to construction in each section of the route. On the whole, major permits will have been obtained from water quality and wildlife monitoring agencies.
2f.	Site Preparation	50	Underrun of baseline by 50% - physical site preparation has been restrained until FONSI issued. Architectural plans and construction awards will complete. Node permits on 9 sites will be issued and 4 special permits will follow in April. Physical site construction will begin mid-March on several sites and accelerating toward 2Qtr12 finish.
2g.	Equipment Procurement	80	Exceeds baseline by 16% -- all major material procurements for nodes, Outside Plant (cable, conduit, vaults, and apparatus), electronics will complete.
2h.	Network Build (all components - owned, leased, IRU, etc.)	14	Underrun of baseline by 38% - due to delays in the issue of FONSI and PA, the project will initiate ground-breaking in several of the 20 segments in Nevada and California devoid of cultural sites
2i.	Equipment Deployment	35	Underrun of baseline by 21% -- deliveries of materials, (175 miles of cable and 240 trench miles of conduit, nodes and electronics) will not complete until the following quarter.
2j.	Network Testing	0	Underrun of baseline by 15% -- due to permit delays and placement of cable.
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).**

Principle challenge for the quarter will be to abbreviate execution of revised Programmatic Agreement and review of Site Avoidance Plans. While labor, materials, and logistics will be in place, the primary scheduling challenges will be due to complete all permits and meet mitigation requirements along the route. BTOP support is in place for these issues.

