QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Award Identification Number	3. DUNS Number
Department of Commerce, National Telecommunications and Information Administration	NT10BIX5570111	127973282

4. Recipient Organization

Northwest Open Access Network 5802 Overlook Avenue NE, Tacoma, WA 98422-1435

5. Current Reporting Period End Date (MM/DD/YYYY)	6. Is this the last Report of the Award Period?
12-31-2012	◯ Yes ⦿ 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	7c. Telephone (area code, number and extension)
Dave Spencer	2083436477
	7d. Email Address noanet@chrsolutions.com

7b. Signature of Certifying Official	7e. Date Report Submitted (MM/DD/YYYY):
Submitted Electronically	02-14-2013

Project Indicators (This Quarter)

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

In the fourth quarter of 2012, focus continued on activity around the construction of the NE-1, NW-1A, NC-3 routes, and construction of the Microwave sites on NE-3. Activity also continued on permitting, final design, route modification and bid preparation for routes scheduled to begin construction in 2013. Permitting and Right of Way acquisition are a major focus for the remaining routes as any necessary adjustments will need to be finalized prior to bidding. Sub recipient monitoring and engagement by NoaNet continues as their projects continue in various stages of progress. Weekly project meetings are taking place involving all members of the Team to insure members are aligned and apprised of all necessary information for completion of the project on budget and in a timely manner.

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	55	With construction well underway, this metric picked up and shortened the gap between actual and projected during the quarter. With the highest cost and most complex route, NE-1, now being substantially complete, this metric resulted in a high increase over the last quarter. It is anticipated that we will reach this metric in the last quarter of the project timeline.
2b.	Environmental Assessment	100	No Variance.
2c.	Network Design	100	No Variance.
2d.	Rights of Way	75	An aggressive Baseline projection coupled with a longer than anticipated Environmental process has created a lag in projections from actual to baseline. Additional resources were utilized to bring this metric closer to projections during quarter four of calendar year 2012 with some remaining and challenging ROW's to be acquired by end of Q2 2013. This schedule will allow completion of the project as outlined in the BTOP Grant Guidelines.
2e.	Construction Permits and Other Approvals	75	An aggressive Baseline projection coupled with a longer than anticipated Environmental process has created a lag in projections from actual to baseline. Additional resources were utilized to bring this metric closer to projections during quarter four of calendar year 2012 with some permitting still being acquired in Q2 2013 for the more difficult segments. This schedule will allow completion of the project as outlined in the BTOP Grant Guidelines.
2f.	Site Preparation	70	See narrative above. Anticipation is to bring this metric in line with the Baseline projections during the second quarter of 2013.
2g.	Equipment Procurement	40	Equipment procurement is currently lagging Baseline projections in part due to the delays in the start of construction and readiness of routes for equipment installations, yet will begin to ramp up as routes are built and available for production projected for the first quarter of 2013. It is anticipated meeting baseline projections at the end of Q2 2013.
2h.	Network Build (all components - owned, leased, IRU, etc)	24	Construction started in the last half of 2012 with minimal progress being made toward the end of the timeframe. Anticipated completion of the Network Build is slated for the end of Q2 2013.
2i.	Equipment Deployment	35	As network construction continues to progress and equipment is able to be connected, this metric will be able to meet the baseline projections. City of Port Angeles Route NW-1A is in process and will be completed by end of Q1 2013. Based on aggressive baseline projections and a prolonged environmental process, this metric will be met by the end of the second quarter 2013.
2j.	Network Testing	20	Network testing has commenced now that the network build has started and equipment is being connected. This metric will mirror the Network Build schedule time line with final testing being completed in Quarter 2 of 2013.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2k.	Other (please specify):	0	N/A

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).

None at this time.

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	153	With an elongated Environmental process, this metric has not met the original aggressive projections that were established during the initial phase of planning. This metric will meet projections during the final quarter of the project. Construction is being completed on the NE-1, NC-3, and NW-2 routes of the project.
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)	153	See 'New network miles deployed' narrative above.
Number of new wireless links	0	Wireless links are in the process of being built and incorporated into the project.
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	Interconnection related to new construction has not been made available as construction of routes has only recently started. Interconnection will be made available when the balance of Anchor Institutions are brought up. Interconnection will be an ongoing process as the project develops and connectivity to Anchor Institutions is accomplished. Completion of this metric will be met upon final connections to the Network in the second quarter of 2013.

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	49
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 49 signed agreements referred to above are comprised of the 37 original or pre-existing wholesale customers with Northwest Open Access with existing agreements pre-dating the Broadband Technology Opportunities Program award and 12 (twelve) new agreements from the previous ten quarters. These contracts and all future agreements as standard verbiage have non-disclosure provisions that prohibit public release of their specific names without prior written consent. The list of pre-existing customers was

previously provided to National Telecommunications and Information Administration (NTIA) under separate cover as "Privileged and Confidential" sales and 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:

Northwest Open Access Network provides wholesale services to telecommunications companies, Internet providers, application service providers and cable companies throughout the State of Washington. Ethernet, Wave, IP and TDM Transport Services are among the services provided and available to interested parties.

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).

Sub Recipients:

Black Rock Cable Inc., 1512 Fairview St., Bellingham, WA 98229 360-738-3116
Kitsap Public Utility District, 1431 Finn Hill Road, PO Box 1989, Poulsbo, WA 98370 360-779-7656
Sawnet, c/o Sawtooth Technologies, 50 SE Cascade Ave., Stevenson, WA 98648 509-427-4865
Kalispel Tribe of Indians, 22 Camas Flat Road, Cusick, WA 99180-0096 509-445-1664
Jefferson County Public Utility District #1, 230 Chimacum Rd., Port Hadlock, WA   360-385-5800
Stevens County Public Utility District #1, 3955 3rd Street, Loon Lake, WA   509-233-2534

Negotiations with other third party providers are in process with no final determination at this time.

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**	12	Exceeding Baseline.
	Providers with signed agreements receiving improved access	37	Exceeding Baseline.
	Providers with signed agreements receiving access to dark fiber	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	4	8-10 Meg, 25-100 Meg, 9-1 Gig, and 7-10 Gig
Community Anchor Institutions (including Government institutions)	**Total subscribers served**	9	Community Anchor Institutions are being brought online in conjunction with the Network Build, as an extended Environmental Approval and permitting has created a lag in start of construction. Current Baseline projections are anticipating meeting this metric in Quarter 3 of 2013. Based on overall delays, this metric may be prolonged out to the final year of the project with final CAI's being connected during the final phase of the project.
	Subscribers receiving new access	9	See 'Total Subscribers served' narrative above.
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number or subscribers for each	9	10 Meg Subscribers-9, 100 Meg Subscribers-0, 1 Gig Subscribers-0, and 10 Gig Subscribers-0
Residential / Households	**Entities passed**	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	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 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).

None at this time of the project.

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
Touchet Community Library	Touchet	Libraries	No	Broadband Connection to assist schools, libraries, and other Institutions with additional bandwidth for learning and educational purposes.
Buena Library	Zillah	Libraries	No	Broadband Connection to assist schools, libraries, and other Institutions with additional bandwidth for learning and educational purposes.
Cavelero Mid High School	Lake Stevens	Schools (K-12)	No	Broadband Connection to assist schools, libraries, and other Institutions with additional bandwidth for learning and educational purposes.
Highland Elementary	Lake Stevens	Schools (K-12)	No	Broadband Connection to assist schools, libraries, and other Institutions with additional bandwidth for learning and educational purposes.
Lake Stevens Sr High School	Lake Stevens	Schools (K-12)	No	Broadband Connection to assist schools, libraries, and other Institutions with additional bandwidth for learning and educational purposes.
Lakeside Community Library	Nine Mile Falls	Libraries	No	Broadband Connection to assist schools, libraries, and other Institutions with additional bandwidth for learning and educational purposes.
Mt Pilchuck Elementary School	Lake Stevens	Schools (K-12)	No	Broadband Connection to assist schools, libraries, and other Institutions with additional bandwidth for learning and educational purposes.

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
Stillaguamish Tribal Center	Arlington	Other Government Facilities	No	Broadband Connection to assist schools, libraries, and other Institutions with additional bandwidth for learning and educational purposes.
Sunnycrest Elementary School	Lake Stevens	Schools (K-12)	No	Broadband Connection to assist schools, libraries, and other Institutions with additional bandwidth for learning and educational purposes.

Project Indicators (Next Quarter)

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

Once again, construction of the Network is the primary focus going into the first and second quarters of 2013. In unison with construction activities, remaining routes will need preliminary work completed in preparation for bidding. Sub Participant projects will continue at different phases with the Network Build being the primary focus.

Projected Metrics for end of quarter are noted below:
New Network Miles to be Deployed- 193
New Network Miles Leased-N/A
Total CAI Subscribers Served-14
Number of Signed Agreements with Wholesalers or Last Mile Providers-50

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	71	With the two categories of construction and equipment accounting for 87% of the budget, WE WILL SEE A LARGE INCREASE IN THE METRIC AS CONSTRUCTION IS IN FULL OPERATION AND EQUIPMENT PURCHASES ARE BEING COMPLETED. WITH THE TWO METRICS ABOVE EXPENDING LARGER AMOUNTS OF ITS BUDGET, DOUBLE DIGIT INCREASES WILL NOT BE UNCOMMON FOR THIS METRIC. It is projected to meet our baseline metric at the end of Q2 2013.
2b.	Environmental Assessment	100	No Variance.
2c.	Network Design	100	No Variance.
2d.	Rights of Way	90	Rights of Way are still in process of being secured for some routes and will be forecasted to be complete by Q2 2013.
2e.	Construction Permits and Other Approvals	85	A minimal number of permits will need to be obtained going into the final quarter of the project timeline. This metric will be met at the end of Q2 2013.
2f.	Site Preparation	90	Site preparation is well underway in what we see as an accelerated rate to make up some of the lag in the Baseline projection and an expedited construction schedule. Anticipation is to bring this metric in line with Baseline by the end of quarter two in 2013.
2g.	Equipment Procurement	64	The majority of In Kind equipment has been attributed toward this project in previous quarters, as this metric is making some gap closure as we end the second year of the project life cycle. Equipment procurement has been delayed to coincide with construction of routes and anticipated to proceed during the third and fourth quarters of 2012 to coincide with the start of construction. We anticipate meeting our baseline projections at the end of Q2 2013.
2h.	Network Build (all components - owned, leased, IRU, etc.)	38	Earlier Baseline projections had the Network Build starting in the first quarter of year two of the project. With the longer than anticipated environmental process and ultimate construction start, this metric will lag baseline well into the final year of the project. This metric will be met by the end of quarter two 2013.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2i.	**Equipment Deployment**	55	With approval of the Environmental Assessment and construction activity taking place, equipment will be deployed during the fiber placement phase. This will mirror the Network Build schedule and attain the Baseline projection by end of quarter two 2013.
2j.	**Network Testing**	50	Network testing will follow the network build metric now that construction of routes has started. It is anticipated that this metric will attain the Baseline projection by the end of quarter two 2013. A compressed schedule will allow this to be completed as required.
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).

None at this time.

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.

Cost Classification	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		
	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	$199,992	$199,992	$0	$0	$0	$0	$0	$0	$0
b. Land, structures, right-of-ways, appraisals, etc.	$3,180,508	$3,098,508	$82,000	$3,056,139	$3,053,368	$2,771	$3,056,139	$3,053,368	$2,771
c. Relocation expenses and payments	$0	$0	$0	$0	$0	$0	$0	$0	$0
d. Architectural and engineering fees	$7,506,240	$75,000	$7,431,240	$5,042,327	$0	$5,042,327	$6,000,000	$0	$6,000,000
e. Other architectural and engineering fees	$21,573	$0	$21,573	$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	$48,655,161	$12,304,590	$36,350,571	$26,648,395	$8,012,214	$18,636,181	$34,000,000	$9,500,000	$24,500,000
j. Equipment	$15,689,615	$5,122,652	$10,566,963	$6,186,044	$3,968,916	$2,217,128	$10,000,000	$4,000,000	$6,000,000
k. Miscellaneous	$54,000	$54,000	$0	$536	$0	$536	$1,000	$0	$1,000
l. SUBTOTAL (add a through k)	$75,307,089	$20,854,742	$54,452,347	$40,933,441	$15,034,498	$25,898,943	$53,057,139	$16,553,368	$36,503,771
m. Contingencies	$0	$0	$0	$0	$0	$0	$0	$0	$0
n. TOTALS (sum of l and m)	$75,307,089	$20,854,742	$54,452,347	$40,933,441	$15,034,498	$25,898,943	$53,057,139	$16,553,368	$36,503,771

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