

**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>  NT10BIX5570073	<b>3. DUNS Number</b>  830534082
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**4. Recipient Organization**

Bend Cable Communications, LLC 63090 Sherman Road, Bend, OR 97701-5750

<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  03-31-2011	<b>6. Is this the last Report of the Award Period?</b>  <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.

<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Melanie Grandjacques	<b>7c. Telephone (area code, number and extension)</b>  5413126561
	<b>7d. Email Address</b>  mgrandjacques@bendbroadband.net

<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  05-25-2011
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**Project Indicators (This Quarter)**

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

Behind due to delay in obtaining FONSI, we have not accomplished as much as anticipated this quarter:

- \* We are in negotiations for two franchises.
- \* We have signed two community anchor tenants.
- \* We have purchased and receiving some materials.
- \* We have submitted permits for 16 of the 20 entities; received permits from six entities.

**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	10	Behind due to delay in obtaining FONSI.
2b.	Environmental Assessment	90	We are preparing to submit the final EA. We do have mitigation items that will remain high priority to accomplish post FONSI.
2c.	Network Design	5	Network design of the GePON technology is complete.
2d.	Rights of Way	60	23 total required. This increased from last report. 16 out of 20 permits submitted. Received 6 to date. 0 out of 3 franchise/ROW agreements complete. Received agreement that we did not have to have 20 years ROW in the franchise agreements. We do need to account for the 20 years for our audit. Negotiations are in progress.
2e.	Construction Permits and Other Approvals	60	23 total required. This increased from last report. 16 out of 20 permits submitted. Received 6 to date. 0 out of 3 franchise/ROW agreements complete. Negotiations are in progress. We require permits from the following federal agencies in order to start construction. Not all routes require all these entities: -Bureau of Land Management -US Forest Service -Bureau of Reclamation -National Grasslands We have been drawing funds for both permits and ROW under the Land, ROW budget category.
2f.	Site Preparation	0	We have five routes to accomplish. Dependent on FONSI, permitting and CAI contracts, the priority of the routes may change.
2g.	Equipment Procurement	70	We are in process of receiving all our materials for the builds. The equipment specific to the technology (OTN, GePON and MOE) is in progress of contract negotiation for shipment timeframes.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	We anticipate starting soon.
2i.	Equipment Deployment	0	Once routes are built, we can start this milestone.
2j.	Network Testing	0	Once routes are built, we can start this milestone.
2k.	Other (please specify):	0	No other progress milestones at this time.

**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).**

As we are a for profit company and not familiar with the Environment Assessment process, we underestimated the potential time frame of obtaining FONSI. Currently, we are about 3.5 months past our initial expectations of obtaining FONSI due to various items. We have received substantial assistance from BTOP and the federal agencies to guide us through the process.

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	Behind due to delay in obtaining FONSI.
New network miles leased	0	NA
Existing network miles upgraded	0	NA
Existing network miles leased	0	NA
Number of miles of new fiber (aerial or underground)	0	Behind due to delay in obtaining FONSI.
Number of new wireless links	0	NA
Number of new towers	0	NA
Number of new and/or upgraded interconnection points	0	Behind due to delay in obtaining FONSI.

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:

NA

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).

NA

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	Behind due to delay in obtaining FONSI.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Providers with signed agreements receiving improved access	0	Behind due to delay in obtaining FONSI..
	Providers with signed agreements receiving access to dark fiber	0	NA
	Please identify the speed tiers that are available and the number of subscribers for each	0	Behind due to delay in obtaining FONSI.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Behind due to delay in obtaining FONSI.
	Subscribers receiving new access	0	Behind due to delay in obtaining FONSI.
	Subscribers receiving improved access	0	Behind due to delay in obtaining FONSI.
	Please identify the speed tiers that are available and the number or subscribers for each	0	Behind due to delay in obtaining FONSI.
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	Behind due to delay in obtaining FONSI.
	Subscribers receiving new access	0	Behind due to delay in obtaining FONSI.
	Subscribers receiving improved access	0	Behind due to delay in obtaining FONSI.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Behind due to delay in obtaining FONSI.

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

Community anchor institutions listed in the application may receive 25% discount their first five years of service only.

**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	Type of Anchor	Are you also the	Narrative description of how anchor institutions are using BTOP-
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	Area (town or county)	Institution (as defined in your baseline)	broadband service provider for this institution? (Yes / No)	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).**  
 The following is all dependent on receiving FONSI this quarter.  
 \*Finalize construction contracts  
 \*Continue working with entities to obtain permits.  
 \*Hold community events.  
 \*Meet with CAIs and businesses to obtain signed contracts for service.  
 \*Break ground and start construction on at least one leg out of five. The one that has the two signed contracts.  
 \*Follow-up and closure with Federal agencies of BLM, Bureau of Reclamation, US Forest Service and Oregon SHPO.

**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	10	Behind due to delay in obtaining FONSI.
2b.	Environmental Assessment	100	Delayed due to various items. We expect to receive FONSI next quarter with our team's follow-up reporting on mitigated items and requested monitoring of construction where necessary.
2c.	Network Design	5	Network design of GePON complete. Will work with technology vendors to complete the OTN and MOE network designs.
2d.	Rights of Way	80	We are progressing along with ensuring we have the necessary ROW language in place.
2e.	Construction Permits and Other Approvals	80	We are progressing along with obtainment of construction permits. Once we receive FONSI, the remaining federal agency permits should flow through.
2f.	Site Preparation	0	If we are able to receive FONSI next quarter, we will start to build at least one leg depending on the attainment of the one outstanding permit.
2g.	Equipment Procurement	80	We are receiving equipment for all the builds plus the MOE specific equipment. OTN and GePON specific technology will be ordered closer to installation.
2h.	Network Build (all components - owned, leased, IRU, etc.)	0	We estimate construction will start either end of June or beginning of July.
2i.	Equipment Deployment	0	We will install once the network is built.
2j.	Network Testing	0	This will be done in a later phase of the project.
2k.	Other (please specify):	0	At this time, no other progress milestones exist.

**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).**

Due to having two signed CAI contracts, our priority of construction is one specific leg. Our focus will be on this leg to mitigate post-FONSI items and obtain necessary permitting. At this time, the items that we foresee that could delay the other routes would be federal permitting and city franchises. We will evaluate what routes to begin constructing depending on permits necessary, franchises and post-FONSI items.

