

**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>  NT10BIX5570047	<b>3. DUNS Number</b>  127973282
--	---	--

**4. Recipient Organization**

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

<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
--	---

**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>  Dave Spencer	<b>7c. Telephone (area code, number and extension)</b>  2083436477
	<b>7d. Email Address</b>  noanet@chrsolutions.com

<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  05-24-2011
---	--

Empty space for additional comments or notes
--

**Project Indicators (This Quarter)**

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

The quarter was primarily focused on preparation and finalization of construction related activities on initial routes. Construction contracts were awarded for segments of the project, with some construction starting this period. Staking, network design, right of way acquisition, permitting, and equipment procurement activities all continued to advance during this quarter resulting in awards to Outside Plant contractors for six different routes and included over three hundred fifty (350) miles of the project. Permits for these projects are expected within weeks which will enable construction to start in multiple areas around the state. Sub recipient involvement increased activity as they near finalization of agreements, contracts and vendor selection. One sub recipient in the northeast corner of the state started construction on March 25, 2011.

**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	6	The overall project is lagging the Baseline as the project originally had intentions of starting construction in the third quarter of year one. Additional resources and timeline revisions have been made to insure completion on schedule.
2b.	Environmental Assessment	95	The Biological Assessment (BA) for Sub Recipient Pacific Public Utility District is currently underway. Completion and finalization of this metric is anticipated by end of Quarter 2, 2011.
2c.	Network Design	70	No variance.
2d.	Rights of Way	35	Rights of Way acquisition continued this quarter with progression made on routes targeted for construction this year. Indications are we will be caught up with this metric by end of calendar year 2011.
2e.	Construction Permits and Other Approvals	45	Permitting continues on primary routes selected for construction during the early part of this year. Required permits for several routes including all EC routes and SE/SW-1 and 2's have been completed for Ecology, Department of Natural Resources, and Washington State Department of Transportation. Additionally, permit acquisition for construction scheduled later will commence in the second half of 2011 and this metric is expected to substantially complete by the end of the year.
2f.	Site Preparation	25	Staking and site preparation continue as work toward making up some of the lag in the projected milestones initially set forth in the project continues.
2g.	Equipment Procurement	17	Additional equipment was purchased and installed this quarter. Work continues toward booking our In Kind assets that fall within this category. Equipment procurement will more than likely not attain the Baseline projections until Quarter 1 of 2012.
2h.	Network Build (all components - owned, leased, IRU, etc)	1	Network build has commenced and shows progress against the milestone starting in this quarter. This metric will attain Baseline projections by end of 2011.
2i.	Equipment Deployment	15	Some backbone segments have been upgraded to facilitate additional traffic, testing on failover protection in preparation for new route and redundancy configurations is underway. This metric will be met as additional equipment is procured and In Kind assets are attributed toward the project. Baseline projections will be met following completion of 2011 backbone route construction expected to catch up to the milestone by Quarter 1, 2012.
2j.	Network Testing	0	Testing of the network will commence once construction has advanced and fiber is operational.
2k.	Other (please specify): N/A	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).**

Based on initial projections, it has been challenging reaching Milestones, as the project originally intended the construction phase of the project to commence much earlier. The extended timeline for staking and permitting has protracted construction start dates.

**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	3	Initial projections had construction starting earlier in the three year timeline of the project. Resources and planning for completion on time have been implemented to meet the Broadband Technology Opportunities Program guidelines.
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)	3	See Narrative 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 been initiated.
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 brought on line in the network, this number will be provided at the rate of progression.

**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	39
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 39 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 (3) new agreements in the past three 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 started this quarter. As the network is built, tested 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 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 indicated earlier in this report, construction was started very late in this quarter. As a result, initial 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	See narrative above concerning new access, this will hold true 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 starting this quarter, 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	See narrative above.
	Subscribers receiving improved access	0	See narrative above.
Residential / Households	Please identify the speed tiers that are available and the number of subscribers for each	0	None at this time 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 improved 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)
	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 stage 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
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).  
Activities will gain momentum as construction on several segments that comprise over four hundred (400) route miles throughout the state begins. An additional 140 miles will be awarded and construction started prior to quarter end. Sub Recipient projects are anticipated to be awarded in May account for 267 miles of the overall project, or 27%. A combined total of approximately seven hundred (700) miles or 72% of the project will be under construction or awarded by end of 2nd Quarter 2011.  
Work in all areas of the project will continue and its anticipated the project will begin to align with the milestones. Job creation with additional construction activities will add to the Full Time Equivalent hours already created by this funding opportunity.

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	11	Expenditures are lagging planned milestones, as construction activities were originally forecasted well ahead of current levels. Additional resources are being deployed to meet the three year plan as outlined by the Broadband Technology Opportunities Program guidelines.
2b.	Environmental Assessment	100	No variance.
2c.	Network Design	85	No variance.
2d.	Rights of Way	70	Right of Way acquisition, although progressing against the current milestone gap, should be completed by year end.
2e.	Construction Permits and Other Approvals	60	Acquisition of permits continues by acquiring all necessary Federal, State and Local permits. This metric to be completed by the end of calendar year 2011.
2f.	Site Preparation	50	Additional resources have been allocated to this task and its anticipated there will be no gap in this milestone by year end.
2g.	Equipment Procurement	25	A significant amount of equipment is in the form of In Kind contribution dependant upon acceptance into the project by the Grants Officer. Once approved and 'booked' to the project, this gap will narrow and be brought closer

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
			to initial projections. Projection is to meet our Baseline by the end of Quarter 1, 2012.
2h.	Network Build (all components - owned, leased, IRU, etc.)	10	Network build will accelerate as weather will hopefully allow us to move forward and all necessary contracts and pre-construction activities have been completed. This metric will be accelerated throughout the year to insure gaps in Baseline are eliminated by end of the year.
2i.	Equipment Deployment	15	Equipment will be deployed as allowed per the network build progress and procurement process. It is projected to meet our Baseline metric by Quarter 1; 2012.
2j.	Network Testing	10	Network testing will commence with portions of the network build being completed and brought on line. This metric will be brought up to Baseline projections by the end of Quarter 1, 2012.
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).**

Construction is anticipated to accelerate through this quarter as long as the necessary permits and approvals to proceed are received from agencies and tribes. Additionally, finalization and approval of the In Kind assets attributed toward the project would help in attaining the project milestones as originally implemented during the Baseline planning process. Any assistance from BTOP program to expedite the process is 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	\$0	\$0	\$0	\$0	\$0	\$0
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	\$1,379,394	\$246	\$1,379,148	\$2,000,000	\$500	\$1,999,500
e. Other architectural and engineering fees	\$2,136,368	\$0	\$2,136,368	\$837,886	\$0	\$837,886	\$1,300,000	\$0	\$1,300,000
f. Project inspection fees	\$8,194,858	\$0	\$8,194,858	\$1,532,447	\$2,949	\$1,529,498	\$2,200,000	\$5,000	\$2,195,000
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	\$66,205	\$57,635	\$62,078	\$2,000,000	\$100,000	\$1,900,000
j. Equipment	\$15,517,288	\$7,414,371	\$8,102,917	\$2,651,274	\$0	\$2,651,274	\$4,000,000	\$0	\$4,000,000
k. Miscellaneous	\$207,678	\$0	\$207,678	\$0	\$0	\$0	\$0	\$0	\$0
<b>l. SUBTOTAL (add a through k)</b>	\$106,546,591	\$22,198,594	\$84,347,997	\$6,467,206	\$60,830	\$6,459,884	\$11,500,000	\$105,500	\$11,394,500
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>n. TOTALS (sum of l and m)</b>	\$106,546,591	\$22,198,594	\$84,347,997	\$6,467,206	\$60,830	\$6,459,884	\$11,500,000	\$105,500	\$11,394,500

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
---	--------------------------------