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** NT10BIX5570067	**3. DUNS Number** 806546326

4. Recipient Organization

ONECOMMUNITY 1375 Euclid Ave, STE 500, Cleveland, OH 44115-1808

5. Current Reporting Period End Date (MM/DD/YYYY) 06-30-2012	**6. Is this the last Report of the Award Period?** ◯ 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 Jim Hay	**7c. Telephone (area code, number and extension)** X
	7d. Email Address jhay@onecommunity.org
7b. Signature of Certifying Official Submitted Electronically	**7e. Date Report Submitted (MM/DD/YYYY):** 08-15-2012

Project Indicators (This Quarter)

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

OVERALL PROJECT - program progress is ahead of baseline, on baseline, and behind baseline in different areas. We are ahead of baseline in our CAI connections, ON baseline for our mileages, and BEHIND baseline in our budget/spending. Spending is behind baseline of 72% at 53% due primarily to "make ready" work which has not yet been invoiced, and behind in our matching funds generation. We have met the overall program special award condition of "substantially complete" as per the Round 2 NOFA.

ENVIRONMENTAL ASSESSMENT - completed in Q1-2011. Environmental Protection Measures (EPMs) continue to be enforced during construction

NETWORK DESIGN - completed in Q1-2011 quarter. Optimization of designs to improve routes, address EPM's or lower costs continues on an as needed basis.

CONSTRUCTION PERMITS, APPROVALS, RIGHTS OF WAY - All utility company "make ready" work is either underway or pending an invoice from the utility company. All other permitting for our key segments is also complete as well.

SITE PREPARATION - on plan. All hub sites have had new electronics installed, and are awaiting the installation of the fiber.

EQUIPMENT PROCUREMENT - is complete. Remaining equipment purchases involve CPE electronics for bringing customers on net (e.g., to ensure compatibility with customer LAN/WAN), and OSP construction materials needed to deploy fiber, which continue as needed.

NETWORK BUILD & EQUIPMENT DEPLOYMENT- continue in parallel. During the quarter our push to meet our "substantially complete" SAC resulted in eight (8) of 14 ring segments being completed with respect to planned mileage to meet goals. Our overall mileage is a bit short of plan, due to shorter customer laterals required to reach the MM fiber (i.e., our MM designs were on target).

NETWORK TESTING - testing of completed ring segments continues on plan.

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	53	Percent complete is based on total program amount budgeted vs spent, and includes both federal funds and matching funds. Our baseline is at 73% so we are behind due to matching funds just beginning to materialize, and "make ready" still to be invoiced.
2b.	Environmental Assessment	100	Our Environmental Assessment was completed in Q1-2011. Assessment work continues in conjunction with enforcement of our Special Award Conditions related to our Environmental Protection Measures (EPMs)
2c.	Network Design	100	Completed in Q1 2011. Network design activities occur as needed for route optimization and EPM enforcement.
2d.	Rights of Way	0	There were no new rights of way that were needed to be acquired. The project baseline was established as the physical walkouts were being conducted for the EA. It was assumed for planning purposes some new rights of way might be needed, and that these would be acquired during the walkout and EA process. To-date we have found no need for new Rights of Way for the project - we are in existing rights of way and are seeking permit approvals from the utility infrastructure owners. Hence the variance from the baseline. We do anticipate we may need one or two. As these are encountered, and budget from the "Land, Structures, Rights of Way" is expended, it will be reported here.
2e.	Construction Permits and Other Approvals	90	As of 6/30, and as a result of our concerted efforts to reach substantial completion, we were able to accelerate much of the "make ready" we needed. The percent complete is based on REMAINING WORK (vs. budget, as the original budget underestimated total program spending required for make ready)
2f.	Site Preparation	24	We remain on plan. Baseline is at 80%, however, we have not had need to expend any further funds on site preparation as of 06-30-2012. As more fiber has been "lit" in Q2, we anticipate needing to make some investments in our hub sites possibly in Q3 2012.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2g.	Equipment Procurement	100	All equipment has been acquired for the project, as budgeted for in the program budget. Equipment purchases continue as needed to bring CAI locations onto the network ("on net") (e.g., to ensure compatibility with customer LAN/WAN). Also, purchases of small switches for customer premise equipment (CPE) may be warranted as more CAI's are signed up.
2h.	Network Build (all components - owned, leased, IRU, etc)	16	Network build, equipment deployment and testing work all continues as planned. Baseline here is at 55% of total budget being expended to reach our 2/3 milestone in miles complete, however we are experiencing greater productivity than planned (which has kept the overall program within budget). Productivity includes an overall lower per foot cost due to a number of contributing factors including: aerial / underground mix has been more aerial (cheaper to deploy, more expensive to operate); per crew daily/weekly footages ahead of estimate due to clear paths and able to make longer runs non-stop.
2i.	Equipment Deployment	29	Network build, equipment deployment and testing work all continues as planned. Baseline here is at 55% of total budget being expended to reach our 2/3 milestone in miles complete, however we are experiencing greater productivity than planned (which has kept the overall program within budget).
2j.	Network Testing	8	Network build, equipment deployment and testing work all continues as planned. Baseline here is at 40% of total budget being expended to reach our 2/3 milestone in miles complete, however we are experiencing greater productivity than planned (which has kept the overall program within budget).
2k.	Other (please specify): legal and admin	100	Percent complete is expressed as a percent of budget expended. We have had minor cost overruns, primarily in legal fees to review subrecipient and vendor contracts for compliance, and in obtaining a CLEC license so we could apply for access to certain utility pole owners' poles.

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).

BARRIERS TO IMPLEMENTATION: MAKE READY - delays in invoicing for "make ready" work by incumbent utility pole owners. We have deployed in eight major segments to reach our "substantially complete" SAC, but still need to have make ready work invoiced before we can proceed in some areas. We do not anticipate any problems meeting overall program targets, however, by June 30, 2013.

MATCHING FUNDS - we are behind on our matching funds, due to several key items in our original application match schedule which have been removed for various reasons. We are working to generate matching income in Q3, with a revised plan through June 30, 2013, which will satisfy a Corrective Action Plan issued by our Grants Officer.

NTIA TECHNICAL ASSISTANCE - 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	596	Our baseline is at 611. We are on plan for original network build, with 476 miles of backbone and 120 miles to connect the CAI's (total of 596).
New network miles leased	161	Our baseline is at 189. We have a 1.9 mile IRU into the Conneaut headend, and an IRU swap with OARnet, where we received a 155 mile wave service from Cleveland to Columbus. We also have a 4.9 mile IRU into Akron University from First Telecom

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Existing network miles upgraded	412	Our baseline is at 808 total miles owned (correction for the overall miles 1C owned is in process as of this report date). This is the entire amount of owned fiber 1C had prior to BTOP, which has been improved through the BTOP program
Existing network miles leased	351	Our baseline is at 392 (correction for the overall miles 1C had under existing lease is also in process as of this report date). This is the entire amount of leased fiber 1C had prior to BTOP, which has been improved through the BTOP program
Number of miles of new fiber (aerial or underground)	596	596 new miles built. 161 new miles leased through the BTOP program as well.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	78	baseline at 178, however, existing and planned interconnection points change due to consolidations of interconnecting parties (e.g., Global Crossing was acquired by Level 3, etc..). Current total is at 137 planned interconnect points, of which 78 have been established/upgraded. In Q4, 2011 we reported 79, and many were lost due to further consolidations. Of these, 23 were existing interconnect points.

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	2
Average term of signed agreements (in quarters)	65

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:
SIGNED - NOVA TELEPHONE - - 60 month term, 1Gigabit subscription
           - WINDSTREAM - 2 IRU agreements under negotiation (1 @ 50 miles 4 fibers 20 years; 1 @41 miles for 4 fibers 20 years)
           - ZITO MEDIA - IRU for 8 dark fibers, 15 miles, 20 years
In addition to the above, we had pre-existing relationships with each of these entities and now sell wholesale circuits to them, as well as the following wholesale/last mile providers: Global Crossing, North Coast Wireless, Next Internet, Mango Bay Internet, and ACC.

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:
Through pre-existing wholesale arrangements, we are now offering circuits to our wholesale partners of Global Crossing, North Coast Wireless, Next Internet, Windstream KDL, Mango Bay Internet, Zito Media, ACC, and Nova Telephone. Average bandwidth they are offering on resold service is140 mbps. Pricing varies based on location and circuit size, and is negotiated for each wholesale customer client implementation.

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).
Not applicable.

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**	3	on plan. We have added 3 new providers since program inception.
	Providers with signed agreements receiving improved access	5	All existing wholesaler relationships who recently purchased a circuit from us for their customers. PLEASE NOTE: the 3 providers with NEW access, plus these 5 existing wholesale providers equals the EIGHT (8) TOTAL reported in 5a above. In Q1 the PPR erroneously reported SEVEN (7) with improved service. Correct totals include 3 "new" plus 5 "improved".
	Providers with signed agreements receiving access to dark fiber	3	- WINDSTREAM - 2 IRU agreements under negotiation (1 @ 50 miles 4 fibers 20 years; 1 @41 miles for 4 fibers 20 years) - ZITO MEDIA - IRU for 8 dark fibers, 15 miles, 20 years - United Private Networks - dark fiber provided under 2 agreements for Elyria Schools, and Ravena Schools (Note: UPN is not a wholesaler, but provides network services to schools)
	Please identify the speed tiers that are available and the number of subscribers for each	8	1 gbps circuit 1 provider (Nova) 10+ gbps/dark fiber 3 providers Avg circuit size is 250 mbps purchased by wholesale partners - total of 4
Community Anchor Institutions (including Government institutions)	**Total subscribers served**	354	Includes all new and existing CAI's, including hospitals, school districts (where all locations have expanded access), libraries, higher education institutions, and local government locations as well as other community service organizations. We are ahead of our baseline of 135 locations.
	Subscribers receiving new access	97	Baseline of 100, on plan
	Subscribers receiving improved access	257	Baseline of 35. Well ahead of plan due to bringing Instructional Technology Centers (ITCs) on net with a 1 gig circuit, which enabled them to provide the state-mandated 100 mbps minimum into the schools that they serve.
	Please identify the speed tiers that are available and the number or subscribers for each	354	<10 Mbps 7 customers 10-50 Mbps 27 customers 50-100 Mbps 5 customers 100 Mbps - 1 Gbps 271 customers >= 1 Gbps 44 customers (incl dark fiber customers)
Residential / Households	**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
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 offered during the quarter.

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

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

not applicable.

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 addendum	**addendum**	**addendum**	**addendum**	**see excel addendum**

Project Indicators (Next Quarter)

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

OVERALL PROJECT - The project will reach 60% completion during Q3 2012, based on total funds expended. Main expenditures in Q3 will be construction invoices for the extra crews added to reach our "substantially complete" SAC, and make ready invoices still being prepared by utility pole owners.
ENVIRONMENTAL ASSESSMENT - completed in Q1-2011. Environmental Protection Measures (EPMs) continue to be enforced during construction
NETWORK DESIGN - completed in Q1-2011. Optimization of designs to improve routes, address EPM's or lower costs continues on an as needed basis.
CONSTRUCTION PERMITS, APPROVALS, RIGHTS OF WAY - "Make ready" will continue to be invoiced and paid.
SITE PREPARATION - on plan. All hub sites have had new electronics installed, and are awaiting the installation of the fiber.
EQUIPMENT PROCUREMENT - Completed. We will have minor purchases to replenish inventory for construction materials and customer premise electronics.
NETWORK BUILD & EQUIPMENT DEPLOYMENT- Network build out will continue through Q3 2012. For the recently completed ring segments, there may be some wrap up work. Most active construction in Q3 planned, however, is completing build outs to CAI locations which are underway.
NETWORK TESTING - testing of completed ring segments continues on plan, as rings are completed.

PLANNED MILES FOR THE QUARTER: 70
PLANNED CAI'S WITH NEW OR IMPROVED ACCESS: 269
PLANNED NEW WHOLESALE/LAST MILE PROVIDER AGREEMENTS: 0

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**	60	Baseline for total funds expended for Q3 is at 72%. We will be behind due to make ready invoicing catching up, and matching funds.
2b.	**Environmental Assessment**	100	Our environmental assessment is complete and on file; enforcement of all Environmental Protection Measures (EPMs) continues through construction.
2c.	**Network Design**	100	The core network design was completed in Q1 2011; design work continues as needed as a result of route optimization and EPM enforcement.
2d.	**Rights of Way**	0	We do not foresee the need for any new Rights of Way during this project, as we are deploying in existing Rights of Way. To-date we have found no need for new Rights of Way for the project - we are in existing rights of way and are seeking permit approvals from the utility infrastructure owners. Hence the variance from the baseline will continue.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2e.	Construction Permits and Other Approvals	92	We will continue to press utility pole owners to invoice make ready for the fiber deployed and being deployed. % complete is expressed as a percent of make ready work vs. budget.
2f.	Site Preparation	24	Site prep work continues as needed
2g.	Equipment Procurement	100	Completed. Equipment purchases for customer builds will continue as needed
2h.	Network Build (all components - owned, leased, IRU, etc.)	20	Baseline of 70%. We are experiencing some cost savings / reductions here from what was planned.
2i.	Equipment Deployment	36	Baseline of 75%. We are experiencing some cost savings / reductions here from what was planned.
2j.	Network Testing	25	Baseline of 50%. We are experiencing some cost savings / reductions here from what was planned.
2k.	Other (please specify):	100	Additional planned incidental expenses will be less that .5% of the total grant

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).

Our program will be submitting an AAR for "Satisfied Special Award Condition" documenting our "substantially complete" SAC, having reached our 2 year milestone successfully.

Our program'S matching fund sources have changed, and an AAR was submitted during the quarter. NTIA is currently reviewing this AAR.

Program Income: Our upcoming budget modification will also include a target for Program Income earned off of new / improved customers added by/upgraded by the BTOP grant. It will formally set a target for program income, as per the July 26 Webinar presented by NTIA, and document our selection to utilize the "cost sharing method" for net program income treatment. Future quarterly reports will include the program income used as match in the FFR on line 10(j) (as per the Webinar instructions).

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	$268,147	$24,379	$243,768	$91,998	$12,088	$79,910	$91,998	$12,088	$79,910
b. Land, structures, right-of-ways, appraisals, etc.	$4,261,800	$0	$4,261,800	$4,906,403	$24,776	$4,881,626	$5,974,984	$24,776	$5,950,207
c. Relocation expenses and payments	$0	$0	$0	$0	$0	$0	$0	$0	$0
d. Architectural and engineering fees	$0	$0	$0	$0	$0	$0	$0	$0	$0
e. Other architectural and engineering fees	$1,230,720	$900,000	$330,720	$1,627,287	$107,513	$1,519,774	$1,638,599	$107,513	$1,531,085
f. Project inspection fees	$0	$0	$0	$0	$0	$0	$0	$0	$0
g. Site work	$180,250	$180,250	$0	$43,475	$43,475	$0	$143,475	$143,475	$0
h. Demolition and removal	$0	$0	$0	$0	$0	$0	$0	$0	$0
i. Construction	$35,225,331	$15,494,088	$19,731,243	$7,657,728	$852,805	$6,804,922	$9,547,443	$1,318,850	$8,228,593
j. Equipment	$28,631,231	$8,404,716	$20,226,515	$22,688,469	$3,198,364	$19,490,105	$23,974,261	$3,784,754	$20,189,508
k. Miscellaneous	$185,000	$185,000	$0	$39,130	$1,155	$37,976	$40,631	$1,155	$39,476
l. SUBTOTAL (add a through k)	$69,982,479	$25,188,433	$44,794,046	$37,054,490	$4,240,176	$32,814,313	$41,411,391	$5,392,611	$36,018,779
m. Contingencies									
n. TOTALS (sum of l and m)	$69,982,479	$25,188,433	$44,794,046	$37,054,490	$4,240,176	$32,814,313	$41,411,391	$5,392,611	$36,018,779

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