

RECIPIENT NAME:ONECOMMUNITY

AWARD NUMBER: NT10BIX5570067

DATE: 02/28/2013

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

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 179260901
4. Recipient Organization ONECOMMUNITY 1375 Euclid Ave, STE 500, Cleveland, OH 44115-1808		
5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2012	6. Is this the last Report of the Award Period? <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.		
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): 02-28-2013	

Project Indicators (This Quarter)

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

OVERALL PROJECT - After reaching our 2/3 goal in the second quarter, the project was intentionally slowed down while we meet with NTIA and NOAA on a revised project plan for the remaining grant period. During the quarter we completed a site visit with NTIA and NOAA, and submitted a series of AAR's to recast the last year of the program, to include a budget modification request. *** THIS PPR WILL BE REPORTED AGAINST THE NEW BUDGET ****

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 continues as needed to replenish inventory.

NETWORK BUILD & EQUIPMENT DEPLOYMENT- continue in parallel. During the quarter we completed 111 miles of fiber build out, and five hub sites. Nine hub sites are in progress as of year end.

NETWORK TESTING - testing of completed 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	72	Percent complete is based on REVISED total program amount budgeted vs spent, and includes both federal funds and matching funds. Our baseline is at 95% so we are behind due to matching funds from program income now coming in, and "make ready" still to be invoiced. We have also slowed down our "burn rate" to allow for more time to generate match.
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	77	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	56	Percent complete is based on revised budget amount vs actual expenses. Incumbent utility pole owners are still slow to invoice us for make ready.
2f.	Site Preparation	31	Percent complete expressed as a % of budget. We remain on plan. Baseline is at 95%, however, we have not had need to expend any further funds on site preparation as of 12-31-2012.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2g.	Equipment Procurement	94	Percent complete is based on REVISED BUDGET amount vs. actual expenses. Our baseline is at 95%. We are on plan.
2h.	Network Build (all components - owned, leased, IRU, etc)	52	Percent complete is based on REVISED BUDGET vs. actual expenses. Network build, equipment deployment and testing work all continues as planned. Baseline plan for network build is at 85% of budget, however we have yet to purchase new leased fiber which would bring us more in line with planned budget expenditures. Through 2012 we had experienced greater productivity than plan (which has kept the overall program within budget as well). We will be able to finish within the grant period.
2i.	Equipment Deployment	100	Percent complete is based on revised budget vs actual expenses. We are at 100% of budget, vs our baseline of 85%. All equipment has been racked and staged. As hub sites are completed in Q1 2013, testing will accelerate; we will finish on time.
2j.	Network Testing	48	Percent completed is based on revised budget vs actual expenses. Our baseline is at 70%, we are behind this due to slowing down some portions of the program. We will be able to complete all testing before the end of the grant period.
2k.	Other (please specify):	100	Percent complete is based on revised budget vs. actual expenses. Very little additional expenses are expected in this category

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. In Q2 2012 we deployed eight major segments to reach our "substantially complete" Special Award Condition, but still need to have make ready work invoiced before we can install permanent connections in some areas. We do not anticipate any problems meeting overall program targets by June 30, 2013. However, make ready invoicing continues to be delayed from incumbents.

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. In Q4 we contributed an additional \$198k in match. We are working to generate matching income in 2013 as well. This was the central topic in a Corrective Action Plan (CAP) issued in Q3, and at a Q4 Site Visit by NTIA and NOAA we revised plans to get back in proportionality. A budget modification was filed and is the new baseline for the program in Q4 2012 and through the remainder of the grant period.

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	770	770 miles of new fiber has been deployed within our Project Funded Service Area as of 12-31-12. Our baseline is at 905. We are behind due to intentionally slowing down our "burn rate" to allow us more time to generate match.
New network miles leased	271	Baseline is at 282. We have made all major leases anticipated in the program. We expect to find one or two more opportunities to lease fiber to extend the BTOP network as well.
Existing network miles upgraded	412	These miles constitute the fiber owned or leased by OneCommunity prior to the BTOP project, which have been "upgraded" as the electronics in our hub sites have been upgraded. Additional existing network miles upgraded will come from our sub-recipient OARnet, with their Phase 2 upgrade which is

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
		underway in Q3. We anticipate this will bring us on plan of 808 miles for the program.
Existing network miles leased	351	All existing leased fiber has been "upgraded" as new electronics were deployed in the five (5) existing hub sites.
Number of miles of new fiber (aerial or underground)	770	Program total miles built.
Number of new wireless links	0	na
Number of new towers	0	na
Number of new and/or upgraded interconnection points	81	We continue to add relationships with ISPs and wholesalers, which lead to more points of interconnection. Baseline is at 218, however, existing and planned POI's changed due to consolidations in the telecom space in particular (e.g., Global Crossing, one of our largest wholesale customers for individual circuits, was acquired by Level3, reducing the number of points commensurate with where they were collocated). UPDATED Feb 25, Agile towers added as POI's per NTIA guidance.

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	14
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	1
Average term of signed agreements (in quarters)	60

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:

NOTE: The information provided here in 5a and 5b reflect services we are selling to these third parties.

We had or now have relationships with the following wholesale/last mile providers: Global Crossing, North Coast Wireless, Net X Internet, Mango Bay Internet, ACC, Time Warner Cable, Agile Networks, and Continental Broadband (formerly Expedient), and Time Warner Telecomm of Ohio. We have sold to all of these entities (and have purchased from some).

NEW:

SIGNED - NOVA TELEPHONE - - 60 month term, 1Gigabit subscription.

- WINDSTREAM - 2 IRU agreements (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 - 20 year IRU.
- ALLTEL - signed services agreement with last mile provider

PENDING

- Cox Communications - dark fiber IRU (2 strands, 45 miles, 20 year term)

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 is 140 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 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	1	on plan
	Providers with signed agreements receiving improved access	9	All existing wholesalers relationships have during the program purchased circuits from us for their customers.
	Providers with signed agreements receiving access to dark fiber	4	- NOVA Telephone - 60 month - 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 Ravenna 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	14	1 gbps circuit 1 provider (Nova) 10+ gbps/dark fiber 3 providers, 4 IRUs 250 Mbps - the avg circuit size purchased by wholesale partners - total of 10 current wholesale partners to whom we provide service
Community Anchor Institutions (including Government institutions)	Total subscribers served	481	Baseline at 445, we are ahead of plan.
	Subscribers receiving new access	142	"new" access defined as fiber built to the facility
	Subscribers receiving improved access	339	Based on CAI's that are Instructional Technology Centers (ITCs) supplying K-12 schools with 100 mbps improved access.
	Please identify the speed tiers that are available and the number or subscribers for each	481	<10 Mbps 9 >= 10 and < 50 Mbps 39 >= 50 and < 100 Mb 8 >100 Mbps <=1 Gbps 375 >1 Gbps 50
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).

None 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	see addendum	see addendum	see addendum	see 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 84% completion during Q1 2013, based on total funds expended (federal & matching). Main expenditures in Q1 will be construction invoices for several large contracts with CAI's which will in turn generate program income which will be reinvested as matching funds.
 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 fro completed middle mile segments, as well as for new CAI locations being brought "on net".
 SITE PREPARATION - on plan. All hub sites have had new electronics installed, and fiber installation will continue.
 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 Q1 2013, with approximately 34 miles of new middle mile beginning construction to tie in two ring segments. One ring segment spanning approximately 20 miles is scheduled for Q2, 2013 (due to the slowing down the burn rate of our federal funds as we bring in more matching funds). Most active construction in Q1 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: 119
 PLANNED CAI'S WITH NEW OR IMPROVED ACCESS: 860, with 741 improved and 119 with new fiber and access, bringing the program total to 1364.
 PLANNED NEW WHOLESALE/LAST MILE PROVIDER AGREEMENTS: 1

DURING Q4 ONECOMMUNITY SUBMITTED A BUDGET MODIFICATION TO NTIA/NOAA BASED ON THE RESULTS OF A SITE VISIT HELD IN OCTOBER, 2012. IN CONJUNCTION WITH THIS BUDGET MODIFICATION ADDITIONAL AAR'S WERE FILED: ONE DETAILING CHANGES TO ROUTE SEGMENTS PLANNED (A NUMBER OF MILES IN THE ORIGINAL APPLICATION ARE NO LONGER NECESSARY); AND TWO RELATED TO CAI ADDS/DELETES AND FOR EA REVIEW OF ALL CAI LOCATIONS WHERE FIBER WAS BUILT INTO THEM.

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	83	Percent complete based on total of funds expended, based on original grant and matching fund amounts.
2b.	Environmental Assessment	100	Our environmental assessment is complete and on file; enforcement of all Environmental Protection Measures (EPMs) continues through construction.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2c.	Network Design	77	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.
2e.	Construction Permits and Other Approvals	77	Percent complete is based on budgeted amount (revised budget) and actual expenditures through Q1 2013.
2f.	Site Preparation	31	Site preparation work continues as needed to complete the rings
2g.	Equipment Procurement	96	Equipment purchases will continue for customer premise equipment and to support large services contracts.
2h.	Network Build (all components - owned, leased, IRU, etc.)	71	Percent complete is based on budgeted amount (revised budget) and actual expenditures through Q1 2013.
2i.	Equipment Deployment	100	Percent complete is based on budgeted amount (revised budget) and actual expenditures through Q1 2013.
2j.	Network Testing	49	Percent complete is based on budgeted amount (revised budget) and actual expenditures through Q1 2013.
2k.	Other (please specify):	41	Incidental expenses will be less than 0.5% in total for the grant.
<p>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).</p> <p>In Q4 we conducted a series of meetings with NTIA and NOAA personnel, and developed a revised budget reflecting new match requirements. During Q1 2013 we will continue to generate match and invest in the program. The quarter goal is to be at or above 20% proportionality. This may necessitate a continued slowdown of grant fund withdrawals.</p> <p>In Q1 our sub-recipients are scheduled to have upgrades and other activities completed, and we will be reflecting additional matching contributions. For OARnet, we anticipate reporting their existing miles upgraded as they complete installation of new electronics funded in part through their sub-award on our grant. This will put us at plan for existing miles upgraded. We also anticipate the schools they support will have improved access, up to 10 Gigabits.</p>			

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	\$255,856	\$12,088	\$243,768	\$98,823	\$12,088	\$86,735	\$108,823	\$22,088	\$86,735
b. Land, structures, right-of-ways, appraisals, etc.	\$10,510,119	\$4,452,625	\$6,057,494	\$5,878,035	\$57,594	\$5,818,812	\$8,097,197	\$2,276,756	\$5,820,440
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	\$1,652,586	\$111,093	\$1,541,493	\$1,624,024	\$93,505	\$1,527,774	\$1,649,024	\$93,505	\$1,555,519
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$112,870	\$112,870	\$0	\$34,750	\$34,750	\$0	\$34,750	\$34,750	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$21,437,183	\$5,594,707	\$15,842,476	\$11,437,954	\$608,207	\$10,541,448	\$15,157,173	\$3,608,001	\$11,549,172
j. Equipment	\$26,433,236	\$5,385,499	\$21,047,737	\$25,042,536	\$4,288,603	\$20,538,174	\$25,429,063	\$4,491,996	\$20,937,067
k. Miscellaneous	\$130,645	\$69,567	\$61,078	\$45,813	\$2,980	\$42,832	\$50,313	\$7,480	\$42,832
l. SUBTOTAL (add a through k)	\$60,532,495	\$15,738,449	\$44,794,046	\$44,161,935	\$5,097,727	\$38,555,775	\$50,526,343	\$10,534,576	\$39,991,765
m. Contingencies									
n. TOTALS (sum of l and m)	\$60,532,495	\$15,738,449	\$44,794,046	\$44,161,935	\$5,097,727	\$38,555,775	\$50,526,343	\$10,534,576	\$39,991,765

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
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