

RECIPIENT NAME:ONECOMMUNITY

AWARD NUMBER: NT10BIX5570067

DATE: 08/18/2011

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

### 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>  NT10BIX5570067	<b>3. DUNS Number</b>  806546326
<b>4. Recipient Organization</b>  ONECOMMUNITY 1375 Euclid Ave, STE 500, Cleveland, OH 44115-1808		
<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  06-30-2011	<b>6. Is this the last Report of the Award Period?</b>  <input type="radio"/> Yes <input checked="" type="radio"/> No	
<b>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>		
<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Jim Hay	<b>7c. Telephone (area code, number and extension)</b>  X	
	<b>7d. Email Address</b>  jhay@onecommunity.org	
<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  08-18-2011	

**Project Indicators (This Quarter)**

**1. Please describe significant project accomplishments completed during this quarter (600 words or less).**  
 OVERALL PROJECT - program progressed as per schedule, with major milestones met on time  
 ENVIRONMENTAL ASSESSMENT - completed in prior quarter. Environmental Protection Measures (EPM's) are now in force.  
 NETWORK DESIGN - completed in prior 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 - filings for "make ready engineering" work with utility pole owners is well underway, along with other permitting (e.g., underground permits, RR and HWY crossings). On our critical path is the utility companies' conducting their engineering and sending us a bill for the make ready work. We have initiated several strategies to overcome this obstacle, including filing as a CLEC to expedite pole attach approvals by some incumbents. We have also been meeting at very high levels with First Energy (FE) operating companies, and have concurrence to treat our deployment as one project across all the operating companies in FE!  
 SITE PREPARATION - on plan  
 EQUIPMENT PROCUREMENT - all PO's have been issued for electronics (switches, routers), fiber optic cable, and all related construction materials. Shipments continue to arrive on schedule.  
 NETWORK BUILD & EQUIPMENT DEPLOYMENT- both began in Q2, post-receipt of FONSI in Q1. Equipment deployments at hub sites continues on plan. Network buildout has begun, but is slower than anticipated due to make ready related issues (see above).  
 NETWORK TESTING - no progress, dependent on network build & equipment deployment  
 NTIA SITE VISIT - during the quarter NTIA conducted a site visit with OneCommunity (May 25-26). Findings from the Site Visit were summarized to OneCommunity management, and all have been successfully remediated.

**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	25	Percent complete is based on amount budgeted vs spent, and includes both federal funds and matching funds. As this reflects the % of total funds available vs actually spent, we are at 25% complete. This is behind our baseline; the baseline assumed large equipment and material expenditures would need to occur in the first 6 to 9 months. Favorable shipping and payment terms have allowed us to defer some of the larger "up front" expenditures we anticipated. In addition, the baseline assumed we would be able to make payments for "make ready" work much faster than our actual experience to-date.
2b.	Environmental Assessment	100	Complete.
2c.	Network Design	100	Network design is complete as a percent of budget. Initial budgeted amount has been consumed; there may be additional design work as routes are optimized, or need to change if an environmental protection measure detects a problem on a route, etc...
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	15	By period end permitting with utility companies was underway; baseline reflects an incorrect plan percentage of 65% based on EA approval dependency. Permissions to enter new hub sites planned will also be reported here, and by 06/30/2011 no new collocation agreements had been signed.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			15.6% complete is expressed as amount spent of the total project budget for construction permits and approvals, which had been expended by 6/30/2011 for permitting with the utility infrastructure owners. We are behind plan due to lead times required by many incumbents in our area of operation.
	2f. Site Preparation	20	Matching funds were expended to move into a new data center facility. We are slightly behind plan in expenses required, mainly due to internal cost optimizations and controls.
	2g. Equipment Procurement	89	The percent complete is based on % of total program budget, both fed and match portions. All initial shipments of networking gear were received by 6/30 on plan; baseline of 65% anticipated less equipment & materials arriving in the quarter than we were able to achieve for federally funded purchases. We are ahead of plan.
	2h. Network Build (all components - owned, leased, IRU, etc)	2	Percent complete is expressed as a % of the federal program budget. Baseline is at 5%, we are slightly behind due to "make ready" taking longer than anticipated
	2i. Equipment Deployment	9	Percent complete is expressed as a % of the federal program budget. Baseline is at 5%, we are slightly ahead of plan due to progress made in installation of electronics in existing and new hub sites.
	2j. Network Testing	6	Percent complete expressed as a % of budget. We are ahead of plan with some initial testing activities, primarily at hub sites.
	2k. Other (please specify):	0	Other funds were not budgeted, but were expended in the quarter. These other expenses include web conference services (webex), government data publications, bank fees, and misc expenses

**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).**

ENVIRONMENTAL ASSESSMENT - engineering costs are over budgeted amounts due to incurring excess engineering costs in order to meet a deadline of Jan 2, 2011 for our draft EA filing, 6 months post-award date. Much of the work had to be outsourced to engineering firms in order to get all the work done in time for the EA draft filing. The FONSI for our EA was completed during the period.

BARRIERS TO IMPLEMENTATION - delays in responses to our requests for "make ready" work by incumbent utility pole owners.

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	0	Construction began on aerial and underground work, with conduit placement UG, and strand installation where the path was clear. Total miles reflects ONLY the fiber cable deployed, which was none as of 6/30. Additional strand miles were 7.3; additional conduit miles 6.8. NOTE: Network miles are not fully deployed until the segment is complete, and the network miles can pass traffic over the segment from hub to hub - i.e., not considered deployed until they are fully "lit". The strand and conduit must be in place first before fiber can be deployed.
New network miles leased	0	none during period
Existing network miles upgraded	0	NOTE: the upgrade of existing miles relates to our hub sites being upgraded with better electronics - switches, routers, etc..

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
		This was completed for all EXISTING sites during the quarter, and all NEW sites will be completed in the next quarter as well.
Existing network miles leased	0	no new leases occurred, as per the instructions. BASELINE of 196 miles is existing leases which will be upgraded as a result of hub site installations.
Number of miles of new fiber (aerial or underground)	0	IN THE BASELINE: This is the accumulation of the new network miles indicator, and the existing network miles upgraded & leased indicators. This will adjust as those indicators are caught up in future quarters.
Number of new wireless links	0	n/a
Number of new towers	0	n/a
Number of new and/or upgraded interconnection points	0	none during period. For existing and new hub sites, as all these sites are upgraded we will complete interconnections to various carriers at each hub site, thus getting us back "on plan".

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	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: NOVA TELEPHONE - - 60 month term, 1Gigabit subscription

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: None at this time

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. OneCommunity operates a 900 mile network in NE Ohio today. This project will double the size and allow us to serve new or improve service to 796 additional community anchor institutions.

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	on plan

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	1	Nova Telephone
	Providers with signed agreements receiving access to dark fiber	0	on plan
	Please identify the speed tiers that are available and the number of subscribers for each	1	1 gigabit 1 service provider
Community Anchor Institutions (including Government institutions)	Total subscribers served	7	We are slightly ahead of plan
	Subscribers receiving new access	0	on plan
	Subscribers receiving improved access	7	slightly ahead of plan
	Please identify the speed tiers that are available and the number or subscribers for each	7	10 Mbps 1 (cust @ 15m) 50 Mbps 2 (cust @ 75m & 80m) 100 Mbps 2 customers 250 Mbps 0 customers 500 Mbps 0 customers 1 Gbps 2 customers 10 Gbps 0 customers
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 at this time

**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. OneCommunity currently operates a 900 mile network in NE Ohio benefitting community anchor institutions ranging from hospitals and health clinics to schools and libraries to institutions of higher education. This project will allow us to double our network size and further our non-profit mission to serve community anchor institutions as one means to help communities grow and prosper through adoption of new technologies, in particular broadband. Our current network management practices of operating an open network remain in place.

**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
CSAUH Cuyahoga	Cleveland	Health Care	yes	network access speed increased
MetroHealth	Cleveland	health care	yes	internet access speed increased
Cleveland State Univ	Cleveland	higher ed	yes	network access & internet speed increased
Ashland University	Ashland	higher ed	yes	internet access speed increased
CSAUH Cuyahoga (2d location)	Cleveland	health care	yes	internet access speed increased
Jumpstart	Cleveland	community svc	yes	network speed increased
Entrepreneurship Prep School	Cleveland	education	yes	network speed increased

**Project Indicators (Next Quarter)**

**1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).**  
 OVERALL PROJECT - will progress as per plan, with construction starting up. We are optimistic that make ready work, underground work, etc.. will be addressed, and construction will catch up to plan. Overall anticipate being 56% complete vs baseline of 48%.  
 ENVIRONMENTAL ASSESSMENT - is COMPLETE. EA work will only be initiated if a route change is required outside our proposed action area.  
 NETWORK DESIGN - COMPLETE. Anticipate being near 70% complete (baseline at 90%).  
 SITE PREPARATION - will continue per plan.  
 EQUIPMENT PROCUREMENT - will continue as per plan (71.8% vs baseline of 70%).  
 NETWORK BUILD - will continue as per plan (12.8% vs 15% baseline)  
 EQUIPMENT DEPLOYMENT - will continue as per plan  
 NETWORK TESTING - will commence with testing of upgrades to existing core sites as well as new sites.

**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	56	Based on overall budget vs planned spend through 9/30/2011 at 56% complete as part of total budget (fed and match), with baseline at 48%.
2b. Environmental Assessment	100	complete
2c. Network Design	95	designs will be completed.
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.  We recognize we may need one or two additional new ROW's. As these are encountered, and budget from the 424C category of "Land, Structures, Rights of Way" is expended, it will be reported here.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2e.	Construction Permits and Other Approvals	80	<p>Percent complete is based on % of budget from the project budget category of "Land, Structures, Rights of Way" (424-C category), which we mapped into this PPR and baseline milestone category. So as a % of budget allocated to this milestone category, we will ramp up of "make ready" (MR) engineering activities by utility companies by quarter end.</p> <p>We will still be behind the baseline for the project - 70% vs 90% baseline - as the utility companies have been slow to respond to requests, due to the volume of requests they are dealing with from the federal programs and other requests.</p> <p>NOTE: this is an area where, given current turn around times and fees, we anticipate being significantly over budgeted amounts for "make ready" work.</p>
2f.	Site Preparation	20	Percent complete based on % of budget. Matching funds will be spent on existing hub site upgrade in Q3 2011.
2g.	Equipment Procurement	92	Percent complete based on fed funding matching funding from payments by sub-recipients in preparation of their network build outs.
2h.	Network Build (all components - owned, leased, IRU, etc.)	21	Percent complete estimated at 12.8% (vs baseline of 15%).
2i.	Equipment Deployment	9	Percent complete is based on percent of budget available vs anticipated spending in the quarter. We anticipate being ahead of baseline in upgrading our existing hub sites (18% vs 10% in baseline)
2j.	Network Testing	6	This will be continuous throughout, but with construction ramping up we do not anticipate a significant amount of effort here through 6/30/2011, as we will push to complete "make ready" and permitting while ramping up construction.
2k.	Other (please specify):	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).**

ITEMS SPECIFIC TO THIS PROJECT: A determination on (1) Davis Bacon wages for OSP work in NE Ohio is needed to ensure the rates we submitted are adequate, as construction contracts have been bid and awarded with those rates included. This could be a risk to project costs. We have gained Dept of Labor (DOL) approval on key skilled positions of communications technician and installer technician; a call is being scheduled in Q3 with the DOL to discuss an appropriate job title, description, and prevailing wage for a third role on a Telecommunications Outside Plant (OSP) construction crew.

In addition, we have been exploring creative ways to work with them, such as pre-payments of make ready fees in order to expedite the review and approval process on their end, and possibly incent them to keep us near the top of the priority list.

NEXT QTR MAJOR EXPENDITURES INCLUDE (amounts are incremental amts to be spent in the quarter):

EQUIPMENT

- electronics to complete PO's issued in DEC - \$443K
- fiber - \$1.03 mm
- construction materials \$585K
- CAI CPE \$67k

CONSTRUCTION SVCES

- labor \$1.5 mm
- make ready, permitting, etc... \$3.4 mm

MATCH PROPORTIONALITY:

As per the Match Proportionality approved and on file with the project, we are not in proportion at this time. This is due to much of the match coming in from third parties whose assets are under construction. Please refer to the approved proportionality waiver for additional information. As of 6/30/2011, match was at 20.9% of total project spending to-date.

**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	\$268,147	\$24,379	\$243,768	\$188,160	\$12,088	\$176,072	\$192,160	\$1,208	\$180,072
b. Land, structures, right-of-ways, appraisals, etc.	\$4,261,800	\$0	\$4,261,800	\$644,877	\$0	\$644,877	\$8,188,523	\$0	\$8,188,523
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	\$1,314,350	\$77,913	\$1,236,437	\$1,420,088	\$77,913	\$1,342,175
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$180,250	\$180,250	\$0	\$20,000	\$20,000	\$0	\$20,000	\$20,000	\$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	\$690,944	\$291,174	\$399,770	\$9,939,070	\$1,085,345	\$8,853,725
j. Equipment	\$28,631,231	\$8,404,716	\$20,226,515	\$14,630,545	\$3,262,348	\$11,368,197	\$19,356,109	\$3,420,796	\$15,935,313
k. Miscellaneous	\$185,000	\$185,000	\$0	\$39,189	\$0	\$39,189	\$66,708	\$0	\$66,708
<b>l. SUBTOTAL (add a through k)</b>	\$69,982,479	\$25,188,433	\$44,794,046	\$17,528,065	\$3,663,523	\$13,864,542	\$39,182,658	\$4,605,262	\$34,566,516
m. Contingencies									
<b>n. TOTALS (sum of l and m)</b>	\$69,982,479	\$25,188,433	\$44,794,046	\$17,528,065	\$3,663,523	\$13,864,542	\$39,182,658	\$4,605,262	\$34,566,516

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