

RECIPIENT NAME:ONWAV INC.

AWARD NUMBER: NT10BIX5570080

DATE: 08/15/2012

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 NT10BIX5570080	3. DUNS Number 800782943
4. Recipient Organization ONWAV INC. 201 W. Gore Ave., Gainesboro, TN 38562-9601		
5. Current Reporting Period End Date (MM/DD/YYYY) 06-30-2012	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 Sam Hariton	7c. Telephone (area code, number and extension) X	
	7d. Email Address	
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).

- Environmental - OnWav received SHPO Concurrences for the changes to it's project as a result of the new fiber.
- Environmental - OnWav received FWS Concurrences after consultation and minor changes to ensure the protection of habitat for local Indiana Bats.
- Tower Construction - OnWav has completed a contract with a tower construction vendor. Initial land surveys have been completed and engineering is ready to begin.
- Equipment - OnWav has signed contract for all of its RF equipment. All of the base-station equipment has already been delivered to OnWav's warehouse in Gainesboro, TN. The indoor Customer Premise Equipment has arrived and the outdoor CPE are expected to arrive in early July. Initial testing of all equipment has begun.
- Equipment - OnWav has signed a contract for Networking Core equipment. This equipment has been delivered to OnWav's Gainesboro, TN warehouse. The equipment has been installed and testing and configuration has begun.
- Deployment - OnWav is preparing to install equipment on the initial two sites for deployment in late July 2012.
- Jobs - OnWav reported 2.62 jobs created this quarter. This included new work completed by Surveyors and Engineers in preparation of OnWav's upcoming installation on the Water Tanks as well as preparations of construction of the three new towers.

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	56	OnWav's progress in Q2 2012 revolved predominantly around completion of contracts and beginning of work related to Equipment and Tower construction contracts. This included the delivery of nearly all networking basestation and customer equipment as well as the initial engineering work to prepare for Tower construction. OnWav is slightly behind schedule on deployment but anticipates getting the initial two water tank sites installed in early Q3 2012.
2b.	Environmental Assessment	100	OnWav's Environmental assessment is complete, however OnWav is conducting additional environmental work to cover environmental considerations related to the planned fiber network. OnWav has already acquired SHPO and FWS concurrences, and is in the process of completing tribal consultations.
2c.	Network Design	100	OnWav has completed it's network design based on chosen equipment vendor's offering. Each site has a completed RF design along with appropriate Fiber backhaul.
2d.	Rights of Way	100	OnWav has completed all land acquisition and Rights of way associated with the construction of the three new towers. OnWav has reached agreement with the owners of the water towers for the the lease agreements for the collocation sites, but has received approval from the owners and does not expect any issues or additional expenses.
2e.	Construction Permits and Other Approvals	33	OnWav has received a formal letter confirming no zoning is required for the construction of the three new towers. Building and electrical permits will be pulled shortly before construction. The cost for all remaining permitting is wrapped into the total cost of tower construction under OnWav's Tower Construction Contract.
2f.	Site Preparation	0	OnWav has completed surveys and will soon have the geological analysis which will determine the appropriate site preparation work to be completed for each of the three new towers. This work will be completed in the next quarter shortly before the foundation is poured and the new towers are constructed.
2g.	Equipment Procurement	25	OnWav signed an Equipment contract, made an initial order and received the majority of the equipment already. OnWav anticipates receiving invoice and paying a large portion of the remainder of this amount in the next quarter.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2h.	Network Build (all components - owned, leased, IRU, etc)	99	OnWav has acquired over 190 miles of an expected approximately 210 miles of IRUs planned for in the network. The remaining miles are expected to be completed and acquired in Q2 2012 contingent upon timing of the Environmental Amendment
2i.	Equipment Deployment	0	OnWav has been delayed in this category as a result of finalizing the Equipment Contract as well as delays resulting from the initial contractor's difficulty in meeting the BTOP requirements, in particular Davis Bacon. OnWav expects to make substantial progress in this category in the next quarter.
2j.	Network Testing	0	N/A
2k.	Other (please specify): BSS-OSS	50	OnWav has deployed the equipment which will run it's new OSS system over the wireless last mile network. However the final piece of the new BSS system has been delayed pending a software update to be released by the manufacturer in the next few months.

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).

An unexpected challenge OnWav faced was ensuring relevant contractors and sub-contractors where appropriately licensed and equipped to meet BTOP requirements, including Davis Bacon. OnWav discovered that many potential vendors were not prepared to handle the complexities of Davis Bacon and so the field of potential contractors was smaller than expected.

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	No Variance from Baseline
New network miles leased	0	N/A
Existing network miles upgraded	0	N/A
Existing network miles leased	190	OnWav has an initial IRU for access to 190 miles of existing dark fiber to use as part of the planned 210 mile network providing Middle Mile backhaul between OnWav's Last Mile towers. OnWav already has more fiber miles deployed than originally foreseen wireless miles for the project in the baseline.
Number of miles of new fiber (aerial or underground)	0	No Variance from Baseline
Number of new wireless links	0	No Variance from Baseline
Number of new towers	0	With the delays of the Tower Construction RFP and contract process, OnWav is behind schedule in deploying new towers. OnWav expects to be completely caught up on this milestone by Q4 2012.
Number of new and/or upgraded interconnection points	0	Due to the delay in the project shift from a Microwave system to a fiber network, in addition to the equipment delays in the Equipment Request For Proposal, OnWav's network has not been constructed yet. OnWav expects to deploy the first interconnection point in Q3 2012.

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	2
Average term of signed agreements (in quarters)	0

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:
 OnWav has finalized negotiation with wholesalers for interconnection, however agreements have not been signed yet. OnWav expects to sign the both wholesaler agreements Q3 2012.

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:

OnWav is still in the process of deploying the network, as a result, OnWav does not yet have any products available.

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).

OnWav has not designated a third party to operate any of its network. OnWav will operate and manage the entire network internally.

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	OnWav has finalized negotiation with wholesalers for interconnection, however agreements have not been signed yet. OnWav expects to sign the both wholesaler agreements Q3 2012.
	Providers with signed agreements receiving improved access	0	OnWav has finalized negotiation with wholesalers for interconnection, however agreements have not been signed yet.
	Providers with signed agreements receiving access to dark fiber	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	OnWav has finalized negotiation with wholesalers for interconnection, however agreements have not been signed yet.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	OnWav's network is not yet complete with construction, as a result subscribers will not be added until future quarters
	Subscribers receiving new access	0	OnWav's network is not yet complete with construction, as a result subscribers will not be added until future quarters
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number or subscribers for each	0	OnWav's network is not yet complete with construction, as a result subscribers will not be added until future quarters
Residential / Households	Entities passed	0	OnWav's network is not yet complete with construction, as a result no households have yet been passed, but this will increase in future quarters

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Total subscribers served	0	OnWav's network is not yet complete with construction, as a result no households have yet been passed, but this will increase in future quarters
	Subscribers receiving new access	0	OnWav's network is not yet complete with construction, as a result no households have yet been passed, but this will increase in future quarters
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	OnWav's network is not yet complete with construction, as a result no households have yet been passed, but this will increase in future quarters
Businesses	Entities passed	0	OnWav's network is not yet complete with construction, as a result no businesses have yet been passed, but this will increase in future quarters
	Total subscribers served	0	OnWav's network is not yet complete with construction, as a result no businesses have yet been passed, but this will increase in future quarters
	Subscribers receiving new access	0	OnWav's network is not yet complete with construction, as a result no businesses have yet been passed, but this will increase in future quarters
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	OnWav's network is not yet complete with construction, as a result no businesses have yet been passed, but this will increase in future quarters

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

OnWav is still in the process of deploying the network, as a result, OnWav does not yet have any products available.

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

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

OnWav has not made any changes to its network management practices over the last quarter. OnWav's network policies for the grant network are still under development, but will be posted prior to network launch.

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).

- Environmental - OnWav anticipates completing the necessary tribal consultations for the change in location for the Livingston site.
- Tower Construction - OnWav anticipates completing all surveys and geological engineering work for the three new towers. OnWav expects to receive FCC clearance on two of the three new towers in the next quarter.
- Equipment - OnWav expects to receive the remainder of the Customer Premise Equipment. Additionally, OnWav will complete initial testing and have equipment prepared for installation at the initial sites.
- Equipment - OnWav expects to have the core networking equipment tested and configured by the end of Q3 2012
- Deployment - OnWav will have leases signed for the equipment on the initial two sites (water tanks) and will deploy equipment on those sites in Q3 2012.
- OnWav expects to deploy the remaining 20 miles of the fiber miles in the upcoming quarter after completing Environmental requirements and after NTIA approval. This will complete the last of approximately 210 miles of total fiber.

- OnWav expects to serve approximately 22 new CAIs in the next quarter.
 - OnWav expects to sign agreement with 2 broadband last mile providers in the next quarter.

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	78	OnWav expects to show significant progress on this project during the next quarter. OnWav's equipment has already mostly arrived, and should be invoiced soon. Tower construction is expected to make considerable progress on Towers in late Q3. The first two collocation sites should be completed.
2b.	Environmental Assessment	100	OnWav's Environmental assessment is complete, additionally, OnWav expects to complete the additional environmental work for the additional work related to the planned fiber network.
2c.	Network Design	100	No deviation from baseline
2d.	Rights of Way	100	No Deviation from baseline
2e.	Construction Permits and Other Approvals	100	OnWav expects to have permits for all sites by the end of Q3 2012
2f.	Site Preparation	50	OnWav expects to have begun site preparation on all three new tower constructions, however depending on timing of the remaining construction permits, work may not complete until Q4 2012
2g.	Equipment Procurement	89	OnWav expects that all equipment will be delivered and a large fraction of it installed and turned-up in the field by the end of Q3 2012
2h.	Network Build (all components - owned, leased, IRU, etc.)	100	OnWav hopes to have the final tribal clearance completed in time to construction the remaining portion of the fiber network prior to the end of Q3 2012
2i.	Equipment Deployment	50	OnWav anticipates having 2 of the 6 sites deployed with 3 more in progress by the end of Q3 2012.
2j.	Network Testing	0	N/A
2k.	Other (please specify): BSS/OSS	100	OnWav expects to have the final remaining piece of equipment for the BSS/OSS system installed and operating by the end of the Q3 2012

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).

A potential challenge OnWav expects to face is FAA and FCC approval time-lines for the three towers to be constructed. Work on the towers cannot commence until those approvals are in, and OnWav is limited in the work that can be completed prior to those approvals. OnWav is preparing to have other components of the project completed as much as possible so that other portions of the grant deployment do not distract from the Tower construction once approval is in place. In the event that FAA/FCC approvals do not arrive within the normal time-line, OnWav may request NTIA assistance in prioritizing review with FAA/FCC, though this scenario is unlikely.

Much of OnWav's time lines after the next quarter (Q3 2012 and after) are extremely dependent on Tower construction beginning on schedule. Any delay in the beginning of the construction of the three new towers will have ripple affects delaying large portions of the remainder of the project. OnWav has a regular weekly call with the Tower Construction vendor where the planned tower construction scheduled is reviewed and potential delay causing events are discussed and planned for. Other than the aforementioned FAA/FCC approvals, there is unlikely to be an scenarios requiring NTIA support.

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	\$1,145,000	\$0	\$1,145,000	\$576,496	\$0	\$576,496	\$635,896	\$0	\$635,896
b. Land, structures, right-of-ways, appraisals, etc.	\$1,054,911	\$0	\$1,054,911	\$382,169	\$0	\$382,169	\$941,559	\$0	\$941,559
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$124,440	\$0	\$124,440	\$52,979	\$0	\$52,979	\$81,890	\$0	\$81,890
e. Other architectural and engineering fees	\$30,417	\$0	\$30,417	\$18,375	\$0	\$18,375	\$24,995	\$0	\$24,995
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$7,500	\$0	\$7,500	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$150,000	\$0	\$150,000	\$0	\$0	\$0	\$50,000	\$0	\$50,000
j. Equipment	\$3,406,069	\$1,317,548	\$2,088,521	\$2,567,029	\$1,317,548	\$1,249,481	\$3,129,769	\$1,317,548	\$1,812,221
k. Miscellaneous	\$583,658	\$0	\$583,658	\$12,269	\$0	\$12,269	\$204,538	\$0	\$204,538
l. SUBTOTAL (add a through k)	\$6,501,995	\$1,317,548	\$5,184,447	\$3,609,317	\$1,317,548	\$2,291,769	\$5,068,647	\$1,317,548	\$3,751,099
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$6,501,995	\$1,317,548	\$5,184,447	\$3,609,317	\$1,317,548	\$2,291,769	\$5,068,647	\$1,317,548	\$3,751,099

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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