

**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>  NT10BIX5570100	<b>3. DUNS Number</b>  945065498
<b>4. Recipient Organization</b>  Delta Communications, L.L.C. 2 N Vine St., 3rd FL, Harrisburg, IL 62946-1561		
<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  12-31-2011	<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>  Ray Cagle	<b>7c. Telephone (area code, number and extension)</b>  X	
	<b>7d. Email Address</b>  rcagle@clearwave.com	
<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  02-13-2012	

**Project Indicators (This Quarter)**

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

Clearwave continued to take advantage of the favorable weather and made significant progress in our construction. With as many as 15 crews working at different times during the quarter we ended up with 350 miles of conduit buried and 260 miles of fiber installed, including fiber into 15 of our interconnection points. We now have continuity from the Carrier Hotel in St. Louis to our Data Center in Marion. Clearwave has already exceeded the 67% complete benchmark ahead of schedule, and if construction continues at the current pace it is possible that the project could be 100% complete by the end of first quarter 2013. 80% of Clearwave's projected Community Anchor Institutions have contracted for service and 40 of them have fiber run and equipment installed at their premise. Clearwave continues to participate in local and regional economic development meetings to help promote the benefits of the project. Our social media efforts continue as well, with over 1000 likes on Facebook, and over 550 followers on Twitter.

**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	76	Ahead of baseline which is 52
2b.	Environmental Assessment	100	In line with baseline
2c.	Network Design	100	In line with baseline
2d.	Rights of Way	80	Ahead of baseline which is 62. In order to keep ahead of construction we have gotten ahead of schedule on obtaining Rights of Way.
2e.	Construction Permits and Other Approvals	75	Ahead of baseline which is 47. In order to keep ahead of construction we have gotten ahead of schedule on obtaining construction permits.
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	73	Baseline is 100. We still have some equipment to purchase, but the main reason for the lower figure is being able to acquire equipment below budgeted costs.
2h.	Network Build (all components - owned, leased, IRU, etc)	64	Ahead of baseline which is 40
2i.	Equipment Deployment	70	Ahead of baseline which is 42
2j.	Network Testing	38	Ahead of baseline which is 33
2k.	Other (please specify): None	0	N/A

**3. To the extent not covered above, please describe any challenges or issues faced during this past quarter in achieving planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).**

We have managed to meet or exceed almost all of our baseline milestones.

**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	260	Ahead of baseline which is 254
New network miles leased	0	N/A

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Existing network miles upgraded	0	N/A
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	260	Ahead of baseline which is 254
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	15	Ahead of baseline which is 13.

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	6
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: None. This process is going slower than expected. Most carriers want at least part of the network to be lit before they sign an agreement.

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

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). N/A

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	N/A
	Providers with signed agreements receiving improved access	0	Baseline was 1. This process is going slower than expected. Most carriers want at least part of the network to be lit before they sign an agreement.
	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	N/A

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
<b>Community Anchor Institutions (including Government institutions)</b>	Total subscribers served	40	40 CAIs are connected, but are not yet receiving service.
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	40	40 CAIs are connected, but are not yet receiving service.
	Please identify the speed tiers that are available and the number or subscribers for each	0	40 CAIs are connected, but are not yet receiving service.
<b>Residential / Households</b>	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
<b>Businesses</b>	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

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

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

None

**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
Benton Cons. High School	Benton	School	No	Anchor is connected, but not yet receiving service

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 BTOF-funded infrastructure
Franklin Co. Sheriff	Benton	Public Safety	No	Anchor is connected, but not yet receiving service
Benton Public Library District	Benton	Library	No	Anchor is connected, but not yet receiving service
Franklin Hospital	Benton	Healthcare	No	Anchor is connected, but not yet receiving service
Thomas Elementary School	Carbondale	School	No	Anchor is connected, but not yet receiving service
Carbondale Middle School	Carbondale	School	No	Anchor is connected, but not yet receiving service
Parrish Elem School	Carbondale	School	No	Anchor is connected, but not yet receiving service
Lewis School	Carbondale	School	No	Anchor is connected, but not yet receiving service
Egyptian Health Dept.	Eldorado	Healthcare	No	Anchor is connected, but not yet receiving service
Eldorado High School	Eldorado	School	No	Anchor is connected, but not yet receiving service
Ferrell Hospital Community Foundation	Eldorado	Healthcare	No	Anchor is connected, but not yet receiving service
Herrin High School	Herrin	School	No	Anchor is connected, but not yet receiving service
Herrin City Library	Herrin	Library	No	Anchor is connected, but not yet receiving service
Rend Lake Community College	Ina	Community College	No	Anchor is connected, but not yet receiving service
Washington Elem School	Johnston City	School	No	Anchor is connected, but not yet receiving service
Jefferson Elem School	Johnston City	School	No	Anchor is connected, but not yet receiving service
Johnston City High School	Johnston City	School	No	Anchor is connected, but not yet receiving service
Johnston City Community Health	Johnston City	Healthcare	No	Anchor is connected, but not yet receiving service
Marion PD	Marion	Public Safety	No	Anchor is connected, but not yet receiving service
Marion Carnegie Library	Marion	Library	No	Anchor is connected, but not yet receiving service
Summersville Grade School	Mt Vernon	School	No	Anchor is connected, but not yet receiving service
Bethel Grade School	Mt Vernon	School	No	Anchor is connected, but not yet receiving service
Dodds Elem School	Mt Vernon	School	No	Anchor is connected, but not yet receiving service
Zadok Casey Middle School	Mt Vernon	School	No	Anchor is connected, but not yet receiving service
Mt Vernon Dist 80 Primary Center	Mt Vernon	Healthcare	No	Anchor is connected, but not yet receiving service

Benjamin Franklin Early Educ Ctr	Mt Vernon	School	No	Anchor is connected, but not yet receiving service
J L Buford Intermediate Ed Ctr	Mt Vernon	School	No	Anchor is connected, but not yet receiving service
Mount Vernon High School	Mt Vernon	School	No	Anchor is connected, but not yet receiving service
Jefferson County Health Dept.	Mt Vernon	Healthcare	No	Anchor is connected, but not yet receiving service
Jefferson Co Sheriff	Mt Vernon	Public Safety	No	Anchor is connected, but not yet receiving service
Mt. Vernon PD	Mt Vernon	Public Safety	No	Anchor is connected, but not yet receiving service
C. E. Brehm Memorial Public Library	Mt Vernon	Library	No	Anchor is connected, but not yet receiving service
Nashville Public Library	Nashville	Library	No	Anchor is connected, but not yet receiving service
Nashville Comm High School	Nashville	School	No	Anchor is connected, but not yet receiving service
Washington County Hospital	Nashville	Healthcare	No	Anchor is connected, but not yet receiving service
Denning Elementary School	West Frankfort	School	No	Anchor is connected, but not yet receiving service
West Frankfort PD	West Frankfort	Public Safety	No	Anchor is connected, but not yet receiving service
West Frankfort Public Library	West Frankfort	Library	No	Anchor is connected, but not yet receiving service
Central Jr High School	West Frankfort	School	No	Anchor is connected, but not yet receiving service
Frankfort High School	West Frankfort	School	No	Anchor is connected, but not yet receiving service

**Project Indicators (Next Quarter)**

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

Clearwave expects to have CAIs receiving bandwidth and internet service by the end of next quarter. We also expect to meet or exceed the following milestones:  
 Network miles - 350  
 New interconnect points - 16  
 Community Anchor Institutions Served: 64  
 Last Mile Service Provider Contracts: 1

Clearwave has already exceeded the 67% complete benchmark ahead of schedule, and if construction continues at the current pace it is possible that the project could be 100% complete by the end of first quarter 2013.

**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	Remain ahead of baseline which is 60
2b.	Environmental Assessment	100	In line with baseline
2c.	Network Design	100	In line with baseline
2d.	Rights of Way	88	Ahead of baseline which is 72
2e.	Construction Permits and Other Approvals	82	Ahead of baseline which is 62

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	76	Baseline is 100. We still have some equipment to purchase, but the main reason for the lower figure is being able to acquire equipment below budgeted costs.
2h.	Network Build (all components - owned, leased, IRU, etc.)	71	Ahead of baseline which is 51
2i.	Equipment Deployment	75	Ahead of baseline which is 50
2j.	Network Testing	55	Ahead of baseline which is 52
2k.	Other (please specify): None	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).**

Winter weather could present a challenge to our progress this next quarter. Other than that, we don't anticipate any other challenges that would impact our ability to remain ahead of schedule.

**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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
b. Land, structures, right-of-ways, appraisals, etc.	\$525,000	\$160,522	\$364,478	\$445,865	\$132,535	\$313,330	\$445,865	\$136,326	\$309,539
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$2,500,000	\$764,388	\$1,735,612	\$5,598,653	\$1,664,220	\$3,934,433	\$6,098,653	\$1,864,695	\$4,233,958
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$27,051,500	\$8,271,139	\$18,780,361	\$17,258,492	\$5,130,151	\$12,128,341	\$19,258,492	\$5,888,386	\$13,370,106
j. Equipment	\$15,318,520	\$4,683,718	\$10,634,802	\$11,154,503	\$3,315,717	\$7,838,786	\$11,654,503	\$3,563,426	\$8,091,077
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>l. SUBTOTAL (add a through k)</b>	<b>\$45,395,020</b>	<b>\$13,879,767</b>	<b>\$31,515,253</b>	<b>\$34,457,513</b>	<b>\$10,242,623</b>	<b>\$24,214,890</b>	<b>\$37,457,513</b>	<b>\$11,452,833</b>	<b>\$26,004,680</b>
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>n. TOTALS (sum of l and m)</b>	<b>\$45,395,020</b>	<b>\$13,879,767</b>	<b>\$31,515,253</b>	<b>\$34,457,513</b>	<b>\$10,242,623</b>	<b>\$24,214,890</b>	<b>\$37,457,513</b>	<b>\$11,452,833</b>	<b>\$26,004,680</b>

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: \$992      b. Program Income to Date: \$992