

RECIPIENT NAME:ONWAV INC.

AWARD NUMBER: NT10BIX5570080

DATE: 05/23/2011

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. 1609 Fairway Drive, Cookeville, TN 38501-2024		
5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2011	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 Michael Powell	7c. Telephone (area code, number and extension) 9315447224	
	7d. Email Address Mpowell@onwav.com	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-23-2011	

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 OnWav finalized the Proposed Funded Service area. OnWav selected a winning bidder for the RFP issued in the previous quarter to complete all tasks related to the Environmental Assessment (EA).
 OnWav has completed the below milestones related to the EA:
 - Initial draft as required in Grant Special Award Conditions
 - Completed all tribal consultations (7 tribes responded)
 - Completed Fish and Wildlife Services (FWS) Consultation on 3 of 3 new site locations
 - Completed State Historic Preservation Officer (SHPO) consultation on 9 of 10 site locations

OnWav has begun the process of making initial contact with existing tower owners to initiate the site acquisition and leasing process

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	4	Due to the delay in receipt of a FONSI, OnWav's has not been able to begin and expend funds related to components of the deployment which have the FONSI as a prerequisite. OnWav is preparing plans for expenditure to ensure that the project can be accelerated once the FONSI is complete, but it is expected to take multiple quarters to catch up.
2b.	Environmental Assessment	100	OnWav has completed all Tribal and FWS submissions and received clearance. Additionally, all SHPO documentation has been completed, however the SHPO has only issued Clearance on 9 of the 10 proposed installation sites (2 of 3 proposed new towers). OnWav is continuing to consult with the SHPO in order to alleviate all remaining concerns. Once the SHPO clears the final proposed Tower, OnWav's environmental firm will accelerate work to have a finalized EA ready quickly and request the FONSI be expedited to help get OnWav back on track.
2c.	Network Design	0	OnWav has begun initial analysis of the Final Network design. Finalization will be dependent on vendor selection. In order to get back on track, OnWav is including RF design as a required component of an RFP to be released early in Q2 2011.
2d.	Rights of Way	0	No Variance from Baseline
2e.	Construction Permits and Other Approvals	0	No Variance from Baseline
2f.	Site Preparation	0	No Variance from Baseline
2g.	Equipment Procurement	0	No Variance from Baseline
2h.	Network Build (all components - owned, leased, IRU, etc)	0	No Variance from Baseline
2i.	Equipment Deployment	0	No Variance from Baseline
2j.	Network Testing	0	No Variance from Baseline
2k.	Other (please specify):	0	No Variance from Baseline

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).
 OnWav experienced greater than expected resistance from the Tennessee State Historic Preservation Officer (SHPO). OnWav was expecting a great deal of work to be required to receive a "No Adverse Affect" finding and so was not overly surprised when the SHPO requested an investigation scope above and beyond the amount required by FCC rule. However, OnWav overestimated the level of cooperation the SHPO would provide in resolving his concerns.

Because the Finding of No Significant Impact (FONSI) is a requirement prior to continuation of the deployment, this has delayed the overall project until all environmental work can be completed.

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	No Variance from Baseline
Existing network miles upgraded	0	No Variance from Baseline
Existing network miles leased	0	No Variance from 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	No Variance from Baseline
Number of new and/or upgraded interconnection points	0	No Variance from Baseline

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	3
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 is still in negotiation with wholesalers as well as last mile providers for interconnection.

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 yet.

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).

OnWav has not designated a third party to operation 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)

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 is still in the negotiation stage for contracts relating to Broadband Wholesalers or Last Mile Providers
	Providers with signed agreements receiving improved access	0	OnWav is still in the negotiation stage for contracts relating to Broadband Wholesalers or Last Mile Providers
	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 is still in the negotiation stage for contracts relating to Broadband Wholesalers or Last Mile Providers
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
	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 households 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 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

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 yet.

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.

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).
 In the next quarter, OnWav intends to complete the site acquisition for 7 existing sites which it began in the last quarter. Once this site acquisition is complete, OnWav will begin the process of acquiring zoning approvals for installation at the 7 existing sites.
 In parallel to this, OnWav intends to complete all environmental related work and receive the Finding of No Significant Impact (FONSI). With this, OnWav will begin site acquisition for the 3 new sites.
 OnWav will begin updating its Business Support Systems and Operations Support Systems (BSS and OSS).
 Much of OnWav's deployment project will involve contracting outside vendors to supply expertise, assistance and equipment. OnWav intends to begin releasing a series of Requests for Proposals (RFPs) to allow potential partners bid and explain what services they can provide OnWav. The first RFP will be for and Equipment Procurement and Logistics. Additionally, the RFP will have an RF Engineering component to complete the Network Design Milestone.

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	11	Due to the delay in receipt of a FONSI, OnWav's will still be not have been able to begin and expend funds related to components of the deployment which have the FONSI as a prerequisite until more than half way through the quarter.
2b.	Environmental Assessment	100	No Deviation from the Baseline
2c.	Network Design	100	No Deviation from the Baseline
2d.	Rights of Way	0	No Deviation from the Baseline
2e.	Construction Permits and Other Approvals	6	No Deviation from the Baseline
2f.	Site Preparation	0	No Deviation from the Baseline
2g.	Equipment Procurement	0	No Deviation from the Baseline
2h.	Network Build (all components - owned, leased, IRU, etc.)	0	No Deviation from the Baseline
2i.	Equipment Deployment	0	No Deviation from the Baseline
2j.	Network Testing	0	No Deviation from the Baseline
2k.	Other (please specify): OSS-BSS Support	26	No Deviation from the Baseline

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).
 Working to speed through the site acquisition after a delay in getting the Environmental work complete will compress the timeline and be difficult, but OnWav is exploring methods which will expedite this process. One method being employed is to begin site acquisition contingent upon the Environmental Clearance. A second method is to wrap multiple stages of work into a single RFP so that more components can be bid simultaneously and completed more quickly.

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	\$405,000	\$405,000	\$0	\$218,014	\$218,014	\$0	\$327,031	\$327,031	\$0
b. Land, structures, right-of-ways, appraisals, etc.	\$2,303,662	\$88,600	\$2,215,062	\$0	\$0	\$0	\$157,600	\$0	\$157,600
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$124,440	\$0	\$124,440	\$10,645	\$0	\$10,645	\$74,237	\$0	\$74,237
e. Other architectural and engineering fees	\$30,417	\$0	\$30,417	\$0	\$0	\$0	\$30,417	\$0	\$30,417
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$7,500	\$7,500	\$0	\$0	\$0	\$0	\$7,500	\$7,500	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$267,975	\$199,575	\$68,400	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$2,368,083	\$189,281	\$2,178,802	\$0	\$0	\$0	\$50,000	\$0	\$50,000
k. Miscellaneous	\$994,918	\$427,592	\$567,326	\$0	\$0	\$0	\$70,250	\$0	\$70,250
l. SUBTOTAL (add a through k)	\$6,501,995	\$1,317,548	\$5,184,447	\$228,659	\$218,014	\$10,645	\$717,035	\$334,531	\$382,504
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0			
n. TOTALS (sum of l and m)	\$6,501,995	\$1,317,548	\$5,184,447	\$228,659	\$218,014	\$10,645	\$717,035	\$334,531	\$382,504

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