



## FIRST PERFORMANCE PROGRESS REPORT 2010

1. Recipient Organization <i>(Name and complete address including zip code)</i> Contact Network, Inc. 600 Lakeshore Parkway, Birmingham, AL 35209	2. Award Identification Number NT10BIX5570104
3. Performance Narrative (Q1) <i>Please describe your project activities and progress for the first quarter of your award period. This should include a description of federal expenditures to date, key milestones, the primary activities needed to accomplish those milestones, significant project accomplishments, and any delays or challenges. Please use the milestone categories provided in your baseline report (e.g., environmental assessment, design, rights of way) to structure your answer. (500 words or less)</i>	
<p>During the first quarter of our project our primary objectives were to finalize our network design and gather the required information to successfully complete the Environmental Assessment. Requests for proposals were developed so that we could engage an engineering firm to assist in the Environmental Assessment. A detailed map of the fiber route, which differentiates between aerial and buried fiber and lists potential hut locations along the route, as well as, all Community Anchor Institutions for the project was started. Vendor meetings were held to research and document leased fiber for our indefeasible rights of use agreements, equipment, fiber, fiber asset management software and heavy equipment. We have also developed a website dedicated to the project, ordered marketing material with the National Telecommunication and Information Administration and Recovery Act logos and organized the development of Community Anchor Institutions into four primary areas: Education, Local Government, Health Care and Broadband/Last Mile Providers. In addition we have assigned responsible personnel to hold stakeholder's meetings, individual meetings, direct mail marketing, etc in our service area. We have also started the organization and gathering of data for reporting and have begun to organize our permanent file. Federal Expenditures this quarter: \$23545.53</p>	
4. Performance Projections (Q2) <i>Please describe your anticipated project activities and progress for the next quarter. This should include a description of federal expenditures, key milestones, the primary activities needed to accomplish those milestones, significant project accomplishments, and any potential delays or challenges you foresee. Please use the milestone categories provided in your baseline report (e.g., environmental assessment, design, rights of way) to structure your answer. (500 words or less)</i>	
<p>During the second quarter, we hired an Engineering Firm to handle our Environmental Assessment. Our network design will be finalized during this quarter and the detailed map of the fiber route will be finalized. Letters detailing the county by county construction plans, number of huts and miles of buried vs. aerial cable, along with detailed maps and pictures of hut locations will be sent to the United States Fish and Wildlife Service Field Office, the Mississippi Department of Archives and History and the Department of the Army, Corps of Engineers. Due to the prior communication with the United States Fish and Wildlife Service and the Army, Corps of Engineers we do not anticipate any delays receiving their approval for this project. Request for proposal templates will be developed for fiber plant purchases and fiber engineering. A request for proposal for fiber construction in the first three counties will be released by the end of the quarter. Also, we will hold meetings and ride outs to determine rights of way requirements and we will begin submitting any applications/paperwork required to obtain those rights of way. In addition, we will begin to file any needed construction permits and other applications as needed. A complete list of all utility pole owners in our service area will be developed. These pole owners will be contacted and negotiations of pole attachment agreements will commence. We believe that delays in permitting, identifying pole ownerships and make ready requirements may occur. If these delays occur and affect routes and/or placement design this may result in an overall delay in the construction schedule. Quotes and Agreements for collocation facilities, back haul circuits, etc will be requested and evaluated. We will begin evaluating equipment and electronics to be used at the Community Anchor Institutions and as part of our back haul. Our marketing plan is built around K-12 schools. One potential risk is if the K12 schools' E-RATE (Schools and Libraries Program of the Universal Service Fund) Program has any significant changes for the next funding year our Community Anchor Institutions list would change accordingly. We continue to market to other Community Anchor Institutions to strengthen our sustainability by conducting Stakeholder meetings, individual meetings and also by direct mail marketing. In accordance with our 6 month expenditure plan submitted in approved, we project that Federal Expenditures during the second quarter will be approximately \$1,309,305.</p>	
<b>5. 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>	
5a. Typed or Printed Name and Title of Authorized Certifying Official Michele Boner	5c. Telephone <i>(area code, number and extension)</i> 205-278-8100 extension 134
5d. Email Address	

**OMB CONTROL NO. 0660-0035**  
**EXPIRATION DATE: 11/30/2010**

mboner@InLine.com

5b. Signature of Authorized Certifying Official

5e. Date Report Submitted (*Month, Day, Year*)

**October 28, 2010**

According to the Paperwork Reduction Act, as amended, no person is required to respond to, nor shall any person be subject to penalty for failure to comply with, a collection of information subject to the requirements of the PRA, unless that collection of information displays a currently valid OMB control number. Public reporting burden for this collection of information is estimated to average 1 hour and 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Anthony G. Wilhelm, Director, Broadband Technology Opportunities Program, Office of Telecommunications and Information Applications, National Telecommunications and Information Administration, U.S. Department of Commerce (DOC), 1401 Constitution Avenue, N.W., HCHB, Room 4887, Washington, D.C. 20230.