

RECIPIENT NAME:COM Net, Inc.
AWARD NUMBER: NT10BIX5570072
DATE: 04/23/2014

OMB CONTROL NUMBER: 0660-0037
EXPIRATION DATE: 6/30/2015

ANNUAL 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 NT10BIX5570072	3. DUNS Number 957284334
4. Recipient Organization COM Net, Inc. 13888 County Road 25 A, Wapakoneta, OH 45895-8316		
5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2013	6. Is this the last Annual Report of the Award Period? <input checked="" type="radio"/> Yes <input 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 Timothy Berelsman	7c. Telephone (area code, number and extension) X	
	7d. Email Address tberelsman@cniteam.com	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 04-23-2014	

OVERALL PROJECT PERFORMANCE INDICATORS

1. Please provide the following average cost figures for your project. Please review the instructions to determine how to calculate these figures. Write "0" in the second column and "N/A" in the third column if your project does not yet have this information. Depending on whether your project contains Middle Mile and/or Last Mile components, some metrics may not apply. Please provide a narrative description if the total is different from the target provided in your baseline plan (600 words or less).

Cost Indicator	Average Cost / Speed	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Average cost per new mile (Middle Mile)	\$43,416	This price includes all outside plant construction firm charges, fiber-optic plant materials, private easement costs, authority having jurisdiction (AHJ) permit application costs, route surveying, conduit costs, pole attachment application costs, pole make ready costs, Railroad (RR) crossing occupancy costs, RR liability insurance cost and RR flagman costs, EA consultant fees for route changes and route inspection, as well as, allocation of for right-of-way, permits, construction progress reporting and construction contract management support. The original baseline new route mile construction cost was developed on a non-cumulative project year basis with 10% construction completed project year 1, 45% project year 2 and 45% project year 3 which works out to \$43,467 composite. CNI firmly believes its composite cost would have been on or over the cumulative average cost per mile per new mile if construction to downtown Dayton would have been completed prior to the end of the project award.
Average cost per household passed (Last Mile)	NA	NA
Average cost per subscriber (Last Mile)	NA	NA
Maximum broadband speed advertised (Middle Mile)	100Gbps	Baseline indicated 40Gbps in Year 3 of the project. CNI is promoting concatenated 10Gbps ports until such time it is economical to upgrade to a 100 Gbps port. CNI successfully completed a 100Gbps field test on its network with Cyan and JDSU to demonstrate the capability.
Maximum broadband speed advertised (Last Mile)	NA	NA
Average broadband speed provided (Middle Mile)	298 Mbps	CNI's most common service being sold is point-to-point Ethernet service on a wholesale basis. This number is based on the average committed data rate being ordered. In 2011, CNI saw limited customer's subscribing for service but with several requesting connection speeds in excess of 100Mbps. In 2012, CNI saw more moderate capacity requirements from Community Anchor Institutions and wholesale customers. In 2013, CNI deployed CISCO 9K MPLS network equipment across its core network, running Sylvania-Lima-Worthington-Sylvania operating at 10Gbps for wholesaling Dedicated Internet Access to its Broadband Service Providers serving residential and business end users throughout west-central Ohio. At the end of 2013, CNI's network planning team was finalizing implementation documentation to upgrade this core to 2x10Gbps for an aggregate capacity of 20Gbps. In 2013, CNI extended its 10Gbps service to Chicago via Lima and Worthington, which has led to several sales of 1Gbps point-to-point circuits.
Average broadband speed provided (Last Mile)	NA	NA

2. Please provide each facility name and type, the county where the facility is located, and census tract information for any facilities funded by your project during this annual reporting period. Report only facilities for which construction has been completed.

Facility Identifier / Name	Facility Type	County	Census Tracts
See Addendum	See Addendum	See Addendum	See Addendum

Add Facility

Remove Facility

3. Please identify (1) the total number of interconnection, peering, and/or transit agreements entered into during this annual reporting period; (2) the total number of agreements of each type that you are currently negotiating; and (3) whether you have denied any request for interconnection and if so, why. If you have not entered into any agreements, please write "N/A."

Interconnection Agreements (600 words or less)

In Com Net Incorporated's (CNI's) 2011 annual performance progress report, it was noted that eleven (11) agreements classified as interconnection, peering and/or transit arrangements were established. It was later determined that four (4) of these should not have been reported in OARnet and OneCommunity as sub-recipients, as well as, Tier 2 Communications and Independents Fiber Network as wholly owned subsidiaries of CNI making the adjusted total agreements seven (7) for 2011. As of year-end 2012, CNI had established 34 agreements classified as interconnection, peering and/or transit arrangements with sub-recipient ZAYO reporting it had entered into an agreement for dark fiber with one wholesale customer.

In 2013, CNI entered into a agreement to interconnect with dark fiber facilities of AVETEC in order to light them and deliver services, with TDS to move and upgrade legacy lit service provided by Com Net's wholly owned subsidiary to the federally funded network, with a national 4G wireless provider to move and upgrade legacy lit service provided by Independents Fiber Network to the federally funded network, two other national 4G wireless providers to deliver lit cell site backhaul services, with Consolidated Electric Company to establish a network-to-network interface to provide wholesale transport services and with Piqua Municipal Electric Utility Service to provide bandwidth services and to manage excess fibers deployed for the utilities SCADA system in an open network environment for the benefit of the community. In addition, Com Net entered into an agreement with NetGain and Disaster Recovery Services, along with their jointly owned entity Mercury Networks, to deliver a 10Gbps wavelength service and backhaul network management service to establish protected, diverse-path network-to-network connectivity in a mutually beneficial manner.

Com Net has not denied any request for service and/or use of the facilities. Com Net has only expressed a potential for limited capabilities to deliver Indefeasible Right to Use (IRU) dark fiber as a fiber tail service under a managed service agreement based on jointly provided service plans to Community Anchor Institutions (CAIs) in certain areas of the network.

Peering and Transit Agreements (600 words or less)

CNI did not enter into any peering or transit agreement as part of the federally funded project. Com Net's legacy core IP routers that host BGP announcements/peers with Tier 1 carriers, Tier 2 Carriers, Content Delivery Networks, IP Exchanges, Ethernet Exchanges, other regional IP network operators and with other autonomous system numbers of other providers were not made part of the GigEPAC project as in-kind nor were they purchased with federal funds. The only network equipment made part of the project was MPLS Network Equipment strictly utilized in providing Layer 2 and Layer 3 Ethernet Transport Services for delivering IP Bandwidth CNI purchases on wholesale and resells with its transport to Broadband Service Providers for their resale. CNI, also, procured a Cyan chassis and deployed it at 350 East Cermak Street, Chicago, IL for the purpose of protected transport over leased 10Gbps wavelength service for connecting to and peering with the INDATEL Services Content Delivery Network (CDN).

CAPACITY, UTILIZATION, AND CAPABILITY INDICATORS

4. Community Anchor Institutions: In the chart below, please provide information on the types of community anchor institutions capable of receiving service (i.e., anchor institutions connected to your network plus those passed by your network) as a result of BTOP funds.

Type of Community Anchor Institution	Total Number Within Service Area	Type of Community Anchor Institution	Total Number Within Service Area
Schools (K-12)	705	Public Housing	377
Libraries	165	Other Institutions of Higher Education	16
Medical and Healthcare Providers	279	Other Community Support Organizations	504
Public Safety Entities	322	Other Government Facilities	488
Community Colleges	12	Total Community Anchor Institutions	2,868

5. Please indicate the average increase in broadband speed provided to the community anchor institution customers as a result of your project, including a description of how this increase was calculated (600 words or less).

The average increase in broadband speed was by a factor of ~4.0. This is based on the actual increase in committed data rate on port connections for point-to-point and private virtual local area network services. All services provided to date are private network services of the subscribing Community Anchor Institution; therefore, actual bandwidth usage is not a monitored characteristic. In calculating this number, Com Net summed the data rate of all subscribing entities prior to implementation of the new or improved service and then post implementation. Com Net then divided the post implementation aggregate committed data rate by the pre-implementation committed data rate to establish broadband speed increase factor.

6. What retail services are being provided by this project? Please describe below. (600 words or less). As an attachment to this report, please provide pricing plans (in \$ per month) associated with each retail service. Retail services description:

CNI's offering of Ethernet Transport Services is focused on ELINE; ELAN, ETREE and dual-homed satellite to primary and disaster recovery hub site connectivity. CNI offers wholesale last mile connectivity with Internet Access Port and Bandwidth for the service providers' resale use. CNI, also, offers managed fiber-tail service, which is the management of a fiber-tail to a customer location or a mid-span meet-point interconnect or customer-provided access facility through CNI's network operation center to deliver jointly provided lit services. The availability of GigE PLUS fiber facilities managed and operated by CNI is limited on two major segments at the present time. This is on the segment from Toledo-to-Lima and Lima-to-Dayton where CNI manages 48 of the 96 fiber and ZAYO Group manages the remaining 48 fiber. In the 48 fiber CNI is managing over these major metro segments, it has committed a majority of the fiber for serving Community Anchor Institutions, establishing Ethernet Network-to-Network mid-span meet-point interconnects and reserving additional fiber for quotes to wireless carrier sites that are in various states of award. On these two major segments, the use of the remaining dark fiber is reserved for satisfying the primary purpose of the grant, which is to serve Community

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Anchor Institutions and to bring broadband to unserved and underserved rural areas. The monthly lease of fiber facilities has not been offered to date.

7a. What network management policies (e.g., bandwidth limitations, traffic prioritization) are in place for the services provided by your project? 7b. Have you ever limited or blocked consumers from accessing any lawful content, service, service provider, or application, or prevented any consumers from attaching any legal device to the network? If so, please explain why (300 words or less)?

At the present time, Com Net maintains an open network policy as published on its web site at www.cniteam.com. Com Net does not practice any bandwidth limitation outside of port limiting that is based on customer's ordered capacity. Com Net does not currently prioritize traffic in any form. Com Net has never limited or blocked consumers from accessing lawful content, service, service provider, application or prevented any consumer from attaching any legal device to the network.

8. If applicable, please provide the total number and the percentage of subscribers who have dropped the broadband service provided through this project (total number of households and/or businesses and the "churn rate") and the subscribers' reasons for discontinuing their service (600 words or less).

CNI has not experienced any dropped subscribers to date for the GigE Plus project. CNI is not tracking and reporting on dropped subscribers of its Broadband Service Partners. CNI has lost the opportunity to serve prospective community anchor institutions that were included in its initial projections to competitive broadband providers on price and service availability at the time of customer commitment.

9. Please provide the following information regarding the number of fiber strand-miles:

Total Number of Strand-miles	Total Number of Active Fiber Strand-miles Used by Recipient	Total Number of Leased Fiber Strand-miles	Total Number of Dark Fiber Strand-miles	Total Number of Strand-miles Being Built		
				Active	Leased	Dark
64,339	3,970	2,858	56,224	36	57	1,194

10. If you wholesale dark fiber, please list your wholesale customers and the number of fiber miles you currently are leasing to those customers:

Ottoville Mutual Telephone Company, Benton Ridge Telephone Company, Qualstar, Wabash Mutual Telephone Company, New Knoxville Telephone Company, SAA bright.net, Telephone Service Company, McClure Telephone Company, Bascom Mutual Telephone Company, Sycamore Telephone Company, NorthwestNet, Champaign Telephone Company, NetGain, Ohio K-12 Information Technology Center(s) and undisclosed customer of ZAYO. The total number of fiber miles to be delivered on completion of the post award build totals 2,915 fiber strand miles with the majority delivered to the undisclosed customer of ZAYO.

With the exception of the undisclosed customers of ZAYO, all recipients of dark fiber are also using the facilities as a dark fiber tail to deliver broadband services to subscribers which drives its demand for Com Net wholesale bandwidth service; to jointly deliver with Com Net lit services to a commercial or public organization; or to establish a mid-span meet point route for connecting the company's office to another broadband service provider or to a Com Net Point-of-Presence (PoP) for a City Pair on Com Net's GigE PLUS network.

11. Please provide the following information regarding the facility collocation capacity:

Total Facility (total square feet for all facilities)	Number of Square Feet Used by Recipient	Number of Square Feet Leased	Number of Square Feet Available
923	179	108	636

12. If you do not own collocation space, please describe how and where other network providers and/or customers interconnect with your network (600 words or less).

,,The square footage reported for 2013 is comprised of (i) one site housing Cyan equipment in leased rack space from a local service provider; (ii) leased rack space of three 19" racks in a city municipality facility with two racks for housing CNI equipment and one rack for sub-recipient equipment; (iii) rack space occupancy in a city administration building for the placement of a Cyan Chassis and auxiliary equipment; (iv) rack space occupancy in a sub-station of an electrical cooperative for the placement of Cyan equipment and auxiliary equipment; (v) one newly constructed 12x26 concrete hut enclosure placed in 2013; (vi) occupancy of rack space for the placement of Cyan equipment at one independent exchange carriers office; (vii) occupancy of rack space for the placement of Cyan equipment in a leased suite of a wireless Internet Service Provider (WISP); (viii) occupancy of rack space for the placement of Cyan equipment at a K-12 Information Technology Center's office; (ix) lease of rack space in a suite at a non-profit organization's facility for the placement of Com Net and sub-recipient equipment with the ability to sub-lease rack space as room permits; (x) adjustment of previously reported 3 huts from 12x10 to 12x20 along with the placement of 1 rack at one site and 2 racks at 2 sites by sub-recipient ZAYO with only the incremental 120 square feet and new ZAYO leased space reported; and (xi) single rack collocation space at the Equinix datacenter at 350 E. Cermak Street in Chicago, IL where customers wishing to interconnect can make their own arrangements for space and cross connect facilities to a meet-me room or Com Net's rack space demarcation point as permitted by the landlord.

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Fiber facilities were, also, placed to non-federally funded existing facilities of ZAYO in Toledo, Ohio and Lima, Ohio. Installation of fiber entrance facilities to ZAYO collocation space at a Dayton datacenter and to a ZAYO network center in Columbus, Ohio were still outstanding at the end of the project award. Prior to the end of the project award, Com Net had, also, entered into agreement with NetGain and Disaster Recovery Services, along with their jointly held entity Mercury Networks, to interconnect through protected-diverse path facilities that will extend the reach of the GigE network with access equipment occupying space in landlord buildings in Bellefontaine, Marysville, Delaware and Westerville Ohio. Customer will be able to interconnect to the GigE PLUS network through these sites.

Non-federally funded fiber facilities were extended and lit with 10Gbps capabilities to a datacenter operator at 1 Limestone St; Springfield, Ohio, as well as, in the process of being extended to the datacenter at Wright State University with an expected completion date of January 31, 2014.

Other network providers can, also, connect to Com Net's federally funded backhaul network through mid span meet-point interconnect arrangements at one or more of the multiple non-environmentally controlled outdoor enclosures housing splice points located along the new construction routes.

13. To the extent that you have made any subcontracts or sub grants, please provide the number of subcontracts or sub grants that have been made to socially and economically disadvantaged small business (SDB) concerns as defined by section 8(a) of the Small Business Act, 15 U.S.C. 647, as modified by NTIA's adoption of an alternative small business size standard for use in BTOP. Please also provide the names of these SDB entities (150 words or less).

Continental Resources - Women Owned
Team Fishel - Women Business Enterprise

14. Please describe any best practices/lessons learned that can be shared with other similar BTOP projects (900 words or less).

Although aerial plant may be lucrative from a construction cost standpoint, do not underestimate the application fees and make ready costs in aerial construction, as well as, time line impacts and on-going repair costs. A thorough inspection of pole facilities should be completed prior to making a final determination to go aerial versus underground from a cost and timing perspective. At the same time, when making the decision to go underground, one should pursue all resource information available on subsurface soil and rock conditions. The presence of quarries in or around the planned route is a good indication you may encounter obstructions during construction. It is, also, important to engage with the authorities having jurisdiction to establish a working relationship, especially if the authorities have encountered problems with workmanship associated with the placement of communication facilities in the past. You may encounter resistance to certain methods of construction that can only be overcome through relationship building and/or negotiation of special agreements to repair any disturbed underground facilities.

15. Using the Excel spreadsheet template titled "Annual PPR CCI Addendum", please provide an updated list of Community Anchor Institutions (CAIs) that you have connected and plan to connect to your network.

16. Using the Excel spreadsheet template titled "Annual PPR CCI Addendum", please provide a list of community pairs that are receiving new or improved broadband service as a result of BTOP grant funds.

17. Please provide up-to-date network route maps in a single file, in a Google Earth compatible format (e.g., KMZ file).