

RECIPIENT NAME:COM Net, Inc.

AWARD NUMBER: NT10BIX5570072

DATE: 08/22/2011

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 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) 06-30-2011	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 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): 08-22-2011	

Project Indicators (This Quarter)

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

Administration-EA-Agreements-Sales: Com Net continued to be engaged in bid management; received its Finding of No Significant Impact; executed a master service agreement to provide wholesale services to a fellow BTOP recipient; continued contract negotiations with sub-recipients, vendors, other BTOP and BIP recipients and broadband service providers; and activated connectivity to its first Community Anchor Institution using a portion of funded facilities.

Network Design-RoW-Permits-Build: Com Net held a preconstruction meeting in early May to review route designs and material inventory status in existing cable yards; finalized procedures with its field inspection firm and supplied them with door hangers. Com Net entered into an agreement for construction and bonding of the initial 31.68 miles of construction; completed underground construction of approximately 13 miles of the initial 22 mile segment; field crews were ramped upon the project to two full plow teams by the end of June; received materials for a total of 70.7 route miles of construction and established with Power-n-Telephone and Draka a monthly rolling material forecasts to ensure timely supply of materials.

Equipment Procurement & Deployment: Com Net received partial shipment of CYAN DWDM electronics for the initial nine sites scheduled for turn-up; initiated work on existing point of presence (PoP) sites with respect to necessary make-ready work for adequate power supply and rack space; and secured an infeasible right-to-use dark fiber to customer-provided-access facilities of an Information Technology Center serving K-12 schools.

Community Outreach: Com Net hosted a construction kickoff event at the Wayne Trace High School in Paulding County, Ohio

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	8	Negative Variance of 17% to baseline and 3% to 2011Q2 forecast. At the close of June 30, 2011, Com Net had unpaid invoices that, when taken into account, put the overall completion at 13%. The variance is driven by two primary factors, which were receipt of FONSI after May 1, 2011 and then weather delays upon receipt of FONSI. Com Net feels confident that it is back on schedule with the forecast for the upcoming quarter based on invoices in hand but not yet paid for work completed making them unliquidated obligations for June month end reporting. The primary invoices received, but not paid, were in the area of permits and other approvals, Network Construction, Network Inspection and Equipment Procurement.
2b.	Environmental Assessment	100	Completed in 2011Q2 from a budget and work perspective and confirmed through receipt of FONSI in May 2011. In the event a design modification requires services of Com Net's environmental assessment consultant, such costs shall be recorded and tracked with Network Design.
2c.	Network Design	25	Positive Variance of 3% to Baseline and negative 3% to 2011Q2 projections. This was driven, again, due to the delays encountered in the receipt of FONSI and weather causing construction activities not to commence until June 8, 2011. This was a balancing act to avoid permits being received too far in advance of planned construction especially in areas where Com Net is required to make a deposit and is given 90 days from the permit approval date until construction must be completed to avoid forfeiture of deposit.
2d.	Rights of Way	19	Negative 2% Variance versus baseline and Negative 4% Variance versus 2011Q2 Projections. Com Net is redirecting resources from permit application process to follow-up with Authorities Having Jurisdiction (AHJs) to pursue issuing of permits. Prior to receiving a FONSI, Com Net was allowing AHJ to issue permits without follow-up and specifying a desired due date. With the FONSI in hand, Com Net is now utilizing a follow-up program to reduce the cycle time from

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			application to receipt of permit primarily with cities/village and county authorities, as well as in some areas with the State of Ohio and Army Core of Engineers.
2e.	Construction Permits and Other Approvals	6	Negative Variance of 28% to baseline and no variance to 2011Q2 projections. Com Net has encountered a few Authorities Having Jurisdiction that are requiring a deposit and ninety-day completion time frames, which is limiting Com Net's ability to work significantly ahead on obtaining permits in certain counties/communities as originally planned. This will be accounted for by adjusting our plan to increase efforts on post applicable permit follow-up status to reduce cycle times. In addition, as originally projected, Com Net will see increased expenses as construction commences along the I-75 corridor due to the increased number of railroad crossings, pole attachments and the need to address other obstructions. This increased expense will close the variance as Com Net's original baseline percent complete was heavily weighted based the number of route miles for which permits have been secured rather than the method used for this performance progress reporting, which is based on the percent complete based on budget dollars expended.
2f.	Site Preparation	0	Negative Variance of 42% versus baseline and no variance against 2011Q2 projections. Com Net is intentionally directing resources away from this area based on a critical path method of project management to focus on long lead time cable placement construction activities. Com Net is, also, using this time frame to evaluate options to utilize existing facilities that could be equipped to be carrier class Points-of Presence (PoPs) or that are in the process of being constructed by others at tower sites. Com Net will increase activity in the area as construction of fiber routes moves to segments that involve such planned sites and Com Net prepares to initiate equipment deployment in September.
2g.	Equipment Procurement	20	Negative variance of 6% versus baseline and a negative variance of 5% versus 2011Q2 forecast. The procurement of equipment is being delayed by approximately ninety days as Com Net conducts a power audit at existing Points-of-Presence (PoPs) and delays deployment at new sites to coincide with cable placement operations. Com Net has limited controlled environment storage space for incoming electronics so inventory is committed to, but held at, the manufacturers facilities. Com Net will release equipment for shipment in September as the existing nine units in inventory are deployed for installation.

	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)	2	<p>Negative 10% variance versus baseline and a negative 3% variance versus 2011Q2 projections. The original 2011Q2 projection was based on receipt of FONSI the beginning of May and commencement of construction by mid May. Due to delays in receipt of FONSI and weather delays, construction didn't commence until June 8th; therefore, invoices for construction were still outstanding as of June end of month. The unknown date for receiving the FONSI and the weather resulted in a delay in the crew ramp-up on the job site. The month of June was used as a ramp-up month.</p> <p>Com Net is updating its moderate projections for cable placement progress in the upcoming quarter to be at 5.0 miles per week from July through August 7th, 6.5 to 7.5 miles per week from August 8th through September 18th and 8.5 to 9.5 miles per week from September 19th forward. The original projections were based on a progress rate of 6.5 to 7.5 miles per week. Com Net projects to close the gap at a rate of 2.0 miles per week prior to the onset of unfavorable weather that Com Net projects will reduce progress by 50% but not stop weekly progress rates for cable placement. The unfavorable weather is expected to begin around mid-December with a return to 100% in mid February.</p> <p>The actual rate of closure will be monitored from an optimistic (o), moderate and pessimistic (p) critical path forecasting model. The optimistic perspective assumes highly favorable weather throughout the fall and winter, as well as, no delays on permits with the Authorities Having Jurisdiction (AHJs). The pessimistic perspective assumes highly unfavorable weather throughout the fall and winter with multiple moves of plow trains due to delays in receipt of permits with AHJs. Com Net will monitor actual progress and take appropriate counteractions for gap closure.</p> <p>Com Net is in the process of finalizing arrangement for Subrecipient ZAYO to manage the construction of approximately 12.7 miles in the Toledo area that will utilize existing ZAYO pole attachments. This route construction will commence in April 2012 and run in parallel with the underground construction being managed by Com Net. Com Net is also in the process of finalizing arrangements with fellow BIP recipient MERIT to IRU fiber from the Osseo-Pittsford CO in Hillsdale County Michigan, reducing new construction by 14.0 route miles. These two actions reduce the new construction route mileage gap from 112.3 miles to 75.6 miles.</p> <p>The project gap closure prior to the on-set of winter weather and frozen ground conditions is expected to total 26 miles. The original plan assumed a 2-month winter shutdown. The plan now is to continue cable placement operation at a reduced rate of 50% for a total projected gap closure of another 45 miles prior to resuming progress at a pace of closure of 2 miles per week. This allows for full gap closure by April 1, 2012 on moderate-optimistic and by June 1, 2012 on pessimistic projections.</p>
2i.	Equipment Deployment	0	<p>Negative variance of 48% versus baseline and negative variance of 13% versus 2011Q2 projections. Com Net had an oversight in the 2011Q2 projection in that it did not re-adjust the time line to account for the lead time associated with purchasing power upgrades at legacy collocation sites that will be housing equipment. Com Net was deferring this operating expense increase until it had a definitive time line for the lifting of the Special Award Conditions since equipment could not be deployed to the field until all conditions were met. Com Net, also, delayed equipment deployment at existing facilities for purpose of conducting meetings with legacy customers as the upgrade at several sites will be a</p>

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			hot cut that will compromise the protected ring status during cut-in and affect customers served locally from certain PoP sites. Com Net is, also, conducting a power audit at all sites prior to deployment at the recommendation of a key customer. Com Net expects to initiate deployment at existing sites in September 2011 and the cut in of equipment at existing PoP sites is to be completed within 12 months. This is not viewed as an area of concern in the critical path for realizing substantial completion and full completion on the project.
2j.	Network Testing	0	Negative variance of 24% versus baseline and negative variance of 10% versus 2011Q2 projections. This item will track in line with 2i with the exception of passive facility testing and inspection, which isn't significant in comparison to equipment deployment testing.
2k.	Other (please specify): Acceptance & Application Pre-Award	100	Other items included in the Baseline report are Project Management and Administration at 38% complete for a positive variance of 9% to baseline and 11% to Q3 projection, which is simply due to Com Net focusing on administrative and project management systems during the time frame it could not undertake ground disturbing activities. Contractual Solution Sales at 5% completion which is a negative variance of 1% to baseline and a positive variance of 2% versus 2011Q2 projections. Operation Support Systems at 11% completion for a negative variance versus baseline of 22% and a negative variance versus 2011Q2 projections of 9%. This is a result of actual transfer value of Com Net billing system being less than originally projected and delays in deploying the CYAN CYMS monitoring system, which was a management decision based on the delays in equipment deployment.

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).

Com Net has encountered unexpected restrictions on construction types in certain counties of its project. This is due to poor workmanship by other parties that has caused Authorities Having Jurisdiction (AHJ) to only allow open trench construction for the placement of underground facilities, which is significantly slower and more expensive than direct plow operations. Com Net has encountered AHJs that are requiring significant deposits prior to granting permits, which has a direct impact on available cash. The same AHJs are requiring construction be completed typically within ninety days of issuance of permit or risk forfeiture of deposit. This is making it difficult to work ahead on permitting, especially on areas involving railroad crossings, bridges, pole attachment and other long lead time permits without risking the expense and delays associated with the movement of crews and equipment on and off construction segments, especially underground construction equipment.

Material supply has not been an issue to date, however the limited world wide supply of fiber optic cable has resulted in a need for increased management to allow for rolling 180 day forecasts to maintain allocation, as well as demands by suppliers for equitable adjustments in the price for fiber optic cable. The unknown factor on receipt of FONSI and lifting of SAC conditions, along with a rainy May in Ohio, slightly delayed initial deployment of crews to the field from notification of lifting of the SAC until initial ground breaking from an expected 2 week period to 4 weeks.

The major challenge Com Net faces in reaching substantial completion will be in ensuring permits are in hand to prevent unnecessary delays in construction caused by delays resulting in work stoppage to wait on permits from Authorities Having Jurisdiction (AHJs), delays associated with excessive movement of plow trains between work areas based on missing permits and/or the need to have expired permits reissued due to permitting activities getting too far ahead of construction activities. Another challenge is ensuring multiple segments are being designed and permitted at once to allow Com Net to have the option to deploy additional plow trains to the field in order to further accelerate build out and gap closure.

The other challenge the project will face is in the area of Community Anchor Institution turn-ups. Many prospective customers have pressing demands to increase capacity immediately and will not be able to wait until construction and turn-up activities reach their area. This will require additional sales and marketing resources to manage customer expectations and secure offsetting commitments for those that have an urgent need for new and/or improved broadband services that can't wait on construction to progress to their area.

Com Net has a high level of confidence that it can close the gap on the network build and reach the goal of 67% of project budget funds obligated based on work completed provided no significant unexpected delays are encountered due to events outside of Com Net's control, which include the weather and Authorities Having Jurisdiction. The goal of 67% of project budget funds spent may prove more challenging as Com Net does not want to issue payment until all test results are received along with as-built

documentation prior to accepting constructed segments and issuing payment. Com Net does not plan to redirect its attention to these activities until the gap in cable placement has been closed. This, again, is based on critical path project management identifying cable placement as the potential limiting factor in realizing 100% completion by June 30, 2013.

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	Negative variance of 112.38 miles of fiber from baseline, which is due to original baseline being based on receipt of FONSI by March 1, 2011 with construction commencing mid March. Actual FONSI received in May 2011 with construction commencing June 8, 2011. At the end of June, although 14 miles of fiber had been placed, no full or partial segments were tested and accepted for use by Com Net.
New network miles leased	1	Negative variance of 2.9 as planned since NOACSC is providing customer-provided access to outside of 1680 Sugar Street in Lima, Ohio rather than Com Net IRUing fiber from outside of 2130 Sugar Street in Lima, Ohio to NOACSC operating center in downtown Lima. Actually less than 1 mile at about 0.05 route miles of 2 fiber that was secured through an Indefeasible Right to Use with the provider of the fiber lease to NOACSC, who was providing customer-provided access in the Lima, Ohio area. This gap is expected to increase prior to closing within 2 miles in late 2011 to early 2012.
Existing network miles upgraded	12	This negative variance of 354 miles driven by delay in release to commence ground disturbing activity versus assumptions used in baseline, as well as delays in being able to deploy active equipment at legacy PoP sites. 2 Fiber in 6 route miles were lit using single fiber SFPs as 1 Gbps Network-to-Network Interfaces with NOACSC. The 296 fiber miles were not upgraded due to delays in equipment deployment, but they were put in service to provide 100 Mbps transport services from the Tiffin Mercy Hospital to One Community's Point-of-Presence in Worthington, Ohio. This variance is expected to persist through August 2012 at which time we project the gap to be closed.
Existing network miles leased	308	This negative variance of 58 fiber miles driven by the delay in release to commence ground disturbing activity versus assumptions used in baseline. Existing facilities of Independents Fiber Network (IFN), a wholly owned subsidiary of Com Net, were made part of the project with 148 route miles of 2 fiber of an existing IRU route of Com Net and 2 fiber in 6 route miles of a legacy route owned by IFN. Com Net plans to activate two additional healthcare facilities under a meet point billed arrangement in the upcoming quarter that will require IFN to make another 48 route miles or 96 fiber-miles part of the project to realize the proposed service. This variance versus baseline is expected to increase prior to closing in June 2012 as we work to close the gap created by the later than expected start date for ground disturbing activities.
Number of miles of new fiber (aerial or underground)	309	Negative variance of 172 miles primarily driven by delay in release to commence ground disturbing activity versus assumptions used in baseline. This negative variance is expected to remain through June 2012 as we work to close the gap created by the later than expected start date for ground disturbing activities.
Number of new wireless links	0	No Variance to baseline
Number of new towers	0	No Variance to baseline

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Number of new and/or upgraded interconnection points	5	Negative variance of 2. Com Net has made switched ethernet equipment at five (5) legacy PoP sites part of the project which are available as interconnection points. Four of the sites are occupied space of a third party such that entrance facilities, collocation or occupancy and termination to the Com Net facilities are through arrangements with the property owner/operator.

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	4
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	25
Average term of signed agreements (in quarters)	30

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: One Community master service agreement finalized to establish Network to Network Interface in Worthington, Ohio. Sycamore Telephone Company, Tier 2 Communications, LLC and Independents Fiber Network, LLC. Sub-recipient agreements included in Q4 2010 report will not be included going forward.

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:

The service to be offered pursuant to the above referenced agreements is Ethernet Transport Services (ETS) on a multi-provider meet point basis, with Com Net serving as a single point of contact.

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).

Subrecipients ZAYO (400 Centennial Parkway, Suite 200, Louisville, CO 80027; 1.303.381.4683) and OARnet (1224 Kinnear Road; Columbus, OH 43212; 614.292.9191) will be designated to operate a portion of the network on activation based on specific fiber spans the providers will be responsible for operating certain fiber within. The specific portions of the network will be detailed on activation. To date, no such portions of the network are available for release to the sub-recipients to operate.

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	1	Positive variance to baseline. This is the network-to-network interface established with One Community in Worthington, OH
	Providers with signed agreements receiving improved access	3	Positive Variance to baseline of 2
	Providers with signed agreements receiving access to dark fiber	0	Negative variance of 1 due to delays on commencement of construction meaning no fiber is available for such transactions.
	Please identify the speed tiers that are available and the number of subscribers for each	1	Com Net currently has one active subscriber through the established 1 Gbps Network-to-Network Interfaces placed in service to date. The VLAN service ordered on wholesale by One Community is 100 Mbps.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Community Anchor Institutions (including Government institutions)	Total subscribers served	3	Negative Variance of one due to delays in commencement of ground disturbing activities from the assumption made as part of the baseline resulting in a delay in upgrade in capacity and connectivity to multiple school districts. Com Net projects to be able to upgrade service to at least 20 existing K-12 school districts and establish two new hospital connection under meet point service arrangements in the upcoming quarter. The schools have a firm order confirmation of August 1, 2011 for their upgraded capacity and establishment of back-up connectivity to their Information Technology Center. Connectivity to the two new hospitals under a meet point service arrangement have a firm order confirmation date of August 7, 2011 for activation. This will result in full gap closure with a positive variance.
	Subscribers receiving new access	2	Tiffin Mercy Hospital and OneCommunity
	Subscribers receiving improved access	1	NOACSC
	Please identify the speed tiers that are available and the number or subscribers for each	2	1 Gbps Network-to-Network Interface as subscribed to by NOACSC and One Community. 100 Mbps User Network Interface port and Ethernet Transport Services as purchased wholesale by One Community
Residential / Households	Entities passed	0	NA
	Total subscribers served	0	NA
	Subscribers receiving new access	0	NA
	Subscribers receiving improved access	0	NA
	Please identify the speed tiers that are available and the number of subscribers for each	0	NA
Businesses	Entities passed	0	NA
	Total subscribers served	0	NA
	Subscribers receiving new access	0	NA
	Subscribers receiving improved access	0	NA
	Please identify the speed tiers that are available and the number of subscribers for each	0	NA

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

Com Net provides Ethernet Transport Services under meet point service arrangements with fiber-facility based providers who provide and maintain carrier class facilities. Com Net takes on full responsibility for the performance of the network, therefore serving as the central point of contact for wholesale customers, providers and subscribers for customer convenience. This allows us to extend the reach of our network beyond our backhaul fiber routes cost-effectively and in a fashion that provides a timely response with a local touch, as well as, a single point of contact for customer service.

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

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

Com Net's network management practices have not changed.

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
One Community	Worthington, OH	Non-Profit	No	Anchor Institution is recipient of a USF Grant for Rural Healthcare and a BTOP recipient. Company has established a 1 Gigabit Network-to-Network Interface with Com Net GigEPAC funded facilities in order to purchase wholesale services from Com Net and our connected Broadband Service Providers.
Northwest Ohio Area Computer Service Cooperative (NOACSC)	Allen County Ohio	K-12 Educational ITC	Yes	This non-profit cooperative services K-12 educational institutes throughout west-central Ohio that has been a wholesale customer of Com Net and its partners legacy facilities. It is using the BTOP funded infrastructure to establish a second, diverse connection to Com Net and its partners' network that will be used to split the current load and serve as an emergency fail-over backup in the event the legacy connection is impaired. By splitting the current load between the legacy connection and the BTOP funded connection, Com Net and its Partners can increase the transport capacity provided to each of the K-12 school districts to connect back to the NOACSC data center for the 2011-2012 school year. This connectivity is being achieved early after the special award conditions were satisfied by establishing a connection with NOACSC legacy fiber it holds through an Indefeasible Right of Use (IRU) between its office in downtown Lima, OH to the northeast side of Lima outside of 1680 North Sugar Street. The current grantor of the IRU fiber is Telephone Service Company (TSC), a Com Net Broadband Service Provider Partner. Through BTOP funding, TSC extended the IRU to legacy facilities made part of the project by Com Net that end outside of 2130 North Sugar Street. The NOACSC two (2) fiber IRU was then repurposed using single fiber SFPs to light one fiber to a legacy Point-of-Presence made part of the project by Com Net and maintaining a single fiber in service between NOACSC and Sub-Recipient OARnet who provides NOACSC with its Internet Access service.
Mercy Tiffin Hospital	Seneca County Ohio	Healthcare	No	Anchor Institution is sourcing a fiber-to-the-hospital and lit 100 Mbps Ethernet Transport Services jointly provided by Bascom Communications and the Com Net managed Broadband Service Provider Partner Network to connect back to the BTOP-funded facilities that a Network-to-Network Interface has been established with such that the Mercy Tiffin Hospital can be transported to Worthington, OH and handed off to One Community, who is purchasing services from Com Net's BTOP funded network and its legacy Broadband Service Provider Partners Network.

Project Indicators (Next Quarter)

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

Network Build: The number of active plow trains on the Com Net project will be ramped to a minimum of three (3) by early August to increase monthly progress rates to expected levels with a fourth plow train and stand-alone boring crews added by mid-September to begin closing the gap in cable placement activities that are a significant factor in the network build measurement. Com Net plans to finalize splicing, testing, as-built documentation and other clean-up activities to allow routes that are complete in terms of cable placement can be fully accepted with payment issued. Com Net will, also, be modifying plans to allow for continued construction throughout the winter of 2012. Com Net plans to finalize award for an appraiser of third party legacy facilities to be used in the project and Fiber IRU on the Lincoln Village to downtown Columbus area. Com Net, also, plans to address several areas requiring minor route modification with NTIA.

CAI Connectivity: Com Net plans to provide improved broadband service through the availability of the back-up protected path to NOACSC, as well as, increase capacity to all schools served via fiber-to-the-school. Com Net plans to substantially complete work to provide improved broadband service to the Wayne Trace High School, Wayne Trace Grover Hill Elementary and Wayne Trace Payne Elementary by completing fiber construction allowing these sites to be migrated from fixed wireless service historically subject to outages and equipment damages due to high winds and lightening strikes. Com Net plans to significantly progress work on construction of fiber to allow the migration of another five rural school buildings from fixed wireless to fiber-to-the-school building and

progress work for providing new Ethernet-over-fiber connectivity to one additional school district served by NOACSC. Com Net plans on completing connectivity for One Community as its wholesale customer to two Toledo area hospitals on the Mercy Healthcare Network to which Tiffin Mercy Hospital will establish connectivity.

Community Outreach-Management of Expectations: Major modifications to Com Net’s Website will be released in order to make it more “user friendly” for the public. Specific GigEPAC pages will be added to Com Net’s Website for ease of obtaining updated project information. We will be sending out a project update to all CAIs and elected officials to make everyone aware of our progress. We will continue to work with NOACSC - an information technology center - to upgrade their connectivity with several K-12 school districts from point-to-point wireless to point-to-point connectivity over fiber and then to increase their broadband capacity. We will be contacting Western Ohio Computer Organization (WOCO) – another information technology center - to discuss K-12 school district broadband connection opportunities in their service area. We will be finalizing arrangements with several higher education institutions to provide improved broadband connectivity between them and our sub-recipient, OARnet. We will be meeting with the Technology Infrastructure Committee (TIC) – a subcommittee of the Findlay/Hancock County Alliance - to discuss opportunities in the Hancock County area. We will continue to work with various municipalities on mutually-beneficial arrangements for the deployment of fiber throughout their community. We will continue to provide proposals to meet the needs of several health care networks throughout western Ohio. We will attend a rotary meeting in Archbold, Ohio that will have representatives from key community anchors throughout Fulton County and surrounding areas.

Equipment Deployment and Site Preparation: Following completion of facility audits and upgrades to address electrical and cooling loads, Com Net will initiate deployment of Cyan DWDM equipment at a minimum of four PoP sites. Com Net plans to address new Point-of-Presence sites in its projects versus occupancy/lease of existing suitable facilities identified along the route. Com Net plans to finalize and announce award for PoP site generators.

Permitting-Reporting-Financial: Com Net plans to expand follow-up efforts on securing permits in order to ensure permitting stays adequately ahead of construction, but within time frames specified by the Authority Having Jurisdiction in which work must be completed to avoid forfeiture of deposit. Com Net plans to complete its Year 1 audit, and finally Com Net will be addressing areas where it is projecting to have a variance on a specific budget category.

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	16	Negative Variance of 21% as Com Net continues to ramp efforts to close gap created by delay in ability to commence ground disturbing activities versus the assumptions included in its baseline report
2b.	Environmental Assessment	100	Initial Assessment completed with receipt of FONSI and lifting of Special Award Conditions in May 2011
2c.	Network Design	35	One percent positive versus baseline. Actual progress will be managed based on implementation time line requirements placed on permits and progress of construction
2d.	Rights of Way	33	Negative Variance of 13% versus baseline but projecting significant progress based on implementing follow-up program with AHJs on permit status
2e.	Construction Permits and Other Approvals	21	Negative variance of 25%. Potential to exceed percentage based on financial criteria as permits for the upcoming quarter will be in the vicinity of I-75 where we will encounter more Railroad crossings and pole attachments that carry fees
2f.	Site Preparation	7	Negative Variance of 34%. See comments on current quarter as this is a carry forward on a non-critical path item. Com Net is projecting to make significant progress on site preparation commencing in the Spring of 2012. The site preparation activities are short lead time and low dollar items based on the overall scope of the project. Com Net will progress the work in this area as needed to satisfy commitments with Community Anchor Institutions throughout the balance of 2011 and winter of 2012
2g.	Equipment Procurement	29	Negative Variance of 10%. Com Net plans to place delays in forecast of purchases with CYAN based on delays in equipment deployment as described in the current quarter progress reporting
2h.	Network Build (all components - owned, leased, IRU, etc.)	10	Negative Variance of 12% projected as Com Net plans to delay purchase of fiber IRU in Columbus market by one quarter based on delay in start of construction. As mentioned in the comments associated with performance for work completed in 2011Q2, Com Net is projecting closure on the gap in network

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
			build progress by June of 2012 based on moderate-optimistic and pessimistic projections.
2i.	Equipment Deployment	6	Negative variance of 62%. This is a carry-forward delay based on explanation provided for 2011Q2 progress reporting. Several sites scheduled for equipment deployment are dependent on the completion of fiber route construction through acceptance, which is projected to occur in September. Com Net, also, projects to complete its power audit and schedule any corrective actions in August of 2011. This will put Com Net in a position to begin deploying equipment, as well as, completing upgrades to existing leased fiber facilities. Once manufacturer personnel is deployed to the field, equipment deployment will progress in an accelerated pace to allow full gap closure against this matrix by August 2012.
2j.	Network Testing	7	Negative Variance of 30% driven by delays in equipment deployment. Majority of progress on network testing is in the area of passive facility inspection and testing.
2k.	Other (please specify): Preaward Acceptance and Application	100	Other items included in the baseline report were Project Management and Administration Reporting projected to be at 41% versus a baseline of 38%, Contractual Solution Sales projected to be at 15% versus a baseline of 12% and Operation Support Systems at 14% versus a baseline of 67% based on deferring a decision on a platform for mapping facility assets since route design firm will retain mapping record system until completion of construction and decision to evaluate CYAN CYMS monitoring and management system capabilities before pursuing a purchase of a third party Network Management System.

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).

Challenges will be with obtaining permits in a timely fashion to avoid issues with permits that have fixed implementation timelines as excessive movement of crews could introduce delays. Dry weather could cause a change in ground conditions resulting in a reduction in underground construction progress rates. Com Net expects to continue to see a large balance in unliquidated obligations as payments for cable placement are held pending testing, as-built documentation and other clean-up activities. This practice of holding payment until full completion is achieved will continue to reflect itself in performance progress reporting that is based on liquidated obligations until the July to September 2012 time frame.

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	\$186,863	\$75,013	\$111,850	\$198,772	\$60,095	\$138,677	\$224,490	\$85,913	\$138,577
b. Land, structures, right-of-ways, appraisals, etc.	\$1,497,801	\$542,165	\$955,636	\$45,300	\$10,872	\$34,428	\$113,566	\$27,256	\$86,310
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$1,536,325	\$368,718	\$1,167,607	\$393,995	\$94,559	\$299,436	\$541,891	\$130,054	\$411,837
e. Other architectural and engineering fees	\$282,530	\$84,759	\$197,771	\$215,002	\$58,363	\$156,639	\$215,002	\$58,363	\$156,639
f. Project inspection fees	\$130,000	\$31,200	\$98,800	\$9,677	\$2,322	\$7,355	\$12,764	\$3,829	\$8,935
g. Site work	\$205,600	\$61,680	\$143,920	\$0	\$0	\$0	\$20,000	\$6,000	\$14,000
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$30,306,281	\$7,831,123	\$22,475,158	\$614,972	\$320,655	\$294,317	\$2,939,687	\$1,532,794	\$1,406,893
j. Equipment	\$8,758,868	\$3,877,761	\$4,881,107	\$1,880,202	\$1,648,647	\$231,555	\$2,692,997	\$2,361,339	\$331,658
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$42,904,268	\$12,872,419	\$30,031,849	\$3,357,920	\$2,195,513	\$1,162,407	\$6,760,397	\$4,205,548	\$2,554,849
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$42,904,268	\$12,872,419	\$30,031,849	\$3,357,920	\$2,195,513	\$1,162,407	\$6,760,397	\$4,205,548	\$2,554,849

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: \$1,190