

**QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS**

General Information		
<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b>  Department of Commerce, National Telecommunications and Information Administration	<b>2. Award Identification Number</b>  NT10BIX5570100	<b>3. DUNS Number</b>  945065498
<b>4. Recipient Organization</b>  Delta Communications, L.L.C. 2 N Vine St., 3rd FL, Harrisburg, IL 62946-1561		
<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  03-31-2011	<b>6. Is this the last Report of the Award Period?</b>  <input type="radio"/> Yes <input checked="" type="radio"/> No	
<b>7. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.</b>		
<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Ray Cagle	<b>7c. Telephone (area code, number and extension)</b>  X	
	<b>7d. Email Address</b>  rcagle@clearwave.com	
<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  05-10-2011	

**Project Indicators (This Quarter)**

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

Clearwave Communications has seen significant progress in the last quarter. Introductory letters were sent out in January and our sales team has met with each of our community anchor institutions. Seventy more anchors have been contracted this quarter, bringing our contracted anchor total to nearly 33% of our total project.

Our network design has been completed, our routes have been selected and a substantial number of right-of-way agreements have been obtained. Construction contracts have been awarded, and our core network equipment has been purchased. Clearwave has chosen our strategic network solutions including transport solutions, routing solutions and access solutions. Our General Contractor has been selected. Our Environmental Assessment (EA) has been completed and we have received our Finding of No Significant Impact (FONSI).

Initial construction has begun; Crews are on the routes boring, trenching and laying conduit. By the end of this quarter we had 3 miles of conduit buried. It is more economical to have substantial contiguous miles of conduit in place before blowing the fiber in. Because of this, fiber miles will lag behind conduit miles. We do, however anticipate beginning to blow in fiber during the next quarter.

Seven new employees have been hired this quarter, and our General Contractor has contracted workers that are working on construction crews.

We have built up a social media following as well, with nearly 200 likes on Facebook and 400 followers on Twitter. We also have a YouTube site, which will grow when we upload videos of the project. Our new website, www.clearwavebroadband.com, steadily brings in more than 50 unique viewers a week.

**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	38	Baseline was 21%. We are slightly ahead on equipment purchases in orders, and we able to start construction sooner than projected in the baseline.
2b.	Environmental Assessment	100	In line with baseline
2c.	Network Design	100	In line with baseline
2d.	Rights of Way	20	Baseline was 10%. Because we were able to start construction, we needed to accelerate obtaining rights of way.
2e.	Construction Permits and Other Approvals	15	Baseline was 10%. Because we were able to start construction, we needed to accelerate obtaining permits.
2f.	Site Preparation	0	N/A
2g.	Equipment Procurement	57	Baseline was 50%. In order to obtain price breaks and to make sure we would not be delayed in receiving equipment we accelerated our equipment orders.
2h.	Network Build (all components - owned, leased, IRU, etc)	19	Baseline was 10%. We were able to begin construction ahead of what we projected in the baseline.
2i.	Equipment Deployment	0	In line with baseline
2j.	Network Testing	0	In line with baseline
2k.	Other (please specify):	0	N/A

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

We were able to obtain our FONSI and begin construction during this quarter, which has put us slightly ahead of schedule. The timing of invoices delayed some payments that we expected to make during this quarter. Because of this our match percentage appears to be below the 30% level. This should be back in line next quarter.

Although we have had discussions with third party service providers, formal negotiations have not begun since our network will not be lit until the fourth quarter of this year. We do expect to have negotiations begun by the end of the next quarter.

**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	In line with baseline
New network miles leased	0	In line with baseline
Existing network miles upgraded	0	In line with baseline
Existing network miles leased	0	In line with baseline
Number of miles of new fiber (aerial or underground)	0	In line with baseline
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	In line with 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	0
Average term of signed agreements (in quarters)	0

**5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:**  
None at this time. We have made contact with some third party service providers, but formal negotiations have not begun.

**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:**

No agreements at this time.

**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).**

Not applicable.

**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	In line with baseline
	Providers with signed agreements receiving improved access	0	In line with baseline
	Providers with signed agreements receiving access to dark fiber	0	In line with baseline
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	In line with baseline
	Subscribers receiving new access	0	In line with baseline
	Subscribers receiving improved access	0	In line with baseline
	Please identify the speed tiers that are available and the number or subscribers for each	0	N/A
Residential / Households	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Businesses	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A

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

None at this time

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

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

None made.

**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
0	0	0	0	0

**Project Indicators (Next Quarter)**

**1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).**  
 Clearwave will continue to make progress on construction, completing 120 miles of network. We will also complete the renovations on our Marion Datacenter. We will continue to make progress on obtaining rights of way and permitting to stay ahead of our construction efforts. Clearwave will have contracts signed with 80% of our Community Anchor Institutions.

**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	49	Baseline is 35. Continued progress on construction should keep us ahead of baseline projections.
2b. Environmental Assessment	100	Completed and in line with baseline
2c. Network Design	100	Completed and in line with baseline
2d. Rights of Way	34	In line with baseline
2e. Construction Permits and Other Approvals	22	In line with baseline
2f. Site Preparation	0	N/A
2g. Equipment Procurement	65	In line with baseline
2h. Network Build (all components - owned, leased, IRU, etc.)	30	Baseline is 19. Continued progress on construction should keep us ahead of baseline projections.
2i. Equipment Deployment	10	In line with baseline
2j. Network Testing	0	In line with baseline
2k. Other (please specify):	0	N/A

**3. Please describe any challenges or issues anticipated during the next quarter that may impact planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).**  
 There are several challenges that can impact our planned progress. Our part of the country has been experiencing quit a bit of flooding lately because of heavy rainfall. This prevents us from being able to plow or trench in certain areas. If the wet weather persists, it can negatively impact our construction schedule.  
 We also need to continue the flow of rights of way and permitting from various entities, including local communities and the Illinois Department of Transportation. Any delays in this area would slow down our project's progress.

