QUARTERLY PERFORMANCE PROGRESS REPORT FOR SUSTAINABLE BROADBAND ADOPTION

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** **11-43-B10516**	**3. DUNS Number** **829024541**

4. Recipient Organization

One Economy Corporation 1220 19th Street, NW, Suite 610, Washington, DC 20036

5. Current Reporting Period End Date (MM/DD/YYYY) 06-30-2011	**6. Is this the last Report of the Award Period?** ◯ Yes ⦿ 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 Samuel Gaillard Director of Management Info	**7c. Telephone (area code, number and extension)** 202-393-0051 X1206
	7d. Email Address sgaillard@one-economy.com
7b. Signature of Certifying Official Submitted Electronically	**7e. Date Report Submitted (MM/DD/YYYY):** 08-25-2011

Project Indicators (This Quarter)

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

In the area of affordable access, One Economy installed networks for 1,264 housing units in Chicago, Portland, South Dakota, Milwaukee, and Norfolk this quarter. Internet access was provided to 5,537 units in California, Atlanta, Chicago, Portland, South Dakota, Milwaukee, and Norfolk.

One Economy's Digital Literacy programs graduated 75 Digital Connector youth training programs this quarter, and 10 summer programs started. Our Cisco training webinars for Digital Connector instructors resulted in 68 instructors achieving Cisco Authorized status. We held digital literacy trainings with 18,211 participants in multiple states.

We held 8 Community Advisory Board meetings this quarter. We developed CABs for DeKalb County, GA and Boston for a total of 16 nationwide. We launched 3 city-wide We Are Now Connected kick-off events in Milbank, SD, Milwaukee, and Norfolk with partners.

In One Economy's awareness campaign, we publicly launched a BBOC awareness website, ChangeYourTomorrow.org. One of our BBOC partners has produced television/radio Public Service Announcements in eight languages, with remaining PSAs in the final stages of production, to be ready for distribution in early July. We reached 812,269 people through our media and outreach efforts. First round baseline survey results were analyzed for 75 properties in 16 cities. The survey instrument for five control cities was completed and preparation for internal evaluation and first test/control cities to be engaged started.

For our public purpose media efforts, we developed and launched 15 community portals. Our web series 9ine completed its full episode run and won 3 Telly awards, including the Silver People's Choice. We premiered our web series Los Americans. We produced a pilot for web series Green Street Lofts. We announced winners of our mobile app development contest during a live online streaming event simulcast in DC and San Francisco.

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 report, please insert them at the bottom of the table. 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 any other relevant information)
2.a.	**Overall Project**	32	Variance is based on the delays to installations caused by challenges with Internet Service Provider (ISP) procurement, Housing developer contract delays, and unexpected ISP technical requirements.
2.b.	**Equipment / Supply Purchases**	-	Progress reported in Question 4 below
2.c.	**Awareness Campaigns**	-	Progress reported in Question 4 below
2.d.	**Outreach Activities**	-	Progress reported in Question 4 below
2.e.	**Training Programs**	-	Progress reported in Question 4 below
2.f.	**Other (please specify):**	-	Progress reported in Question 4 below

3. 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).

One Economy has experienced challenges in scheduling our network installations due to a number of unrelated factors causing delays such as unexpected technical considerations requested by one of our Internet Service Provider partners, lack of ISP procurement in other target regions, and delays in contract negotiations with housing partners (see more details in section 4c). These delays have ripple effects in hiring Community Technology Associates as well as conducting trainings on site.

In addition to network install delays, we continue to experience that many partner organizations in our cities are also BTOP recipients, and therefore have their own training component to meet. We also experienced challenges due to our Digital Connectors programs not training as many as we expected. We found that the fall program's agenda was very full and didn't leave sufficient time for programs to complete their training. The timing of the training portion of the Connectors program - at the end of the school year - didn't allow for sufficient time to make programmatic adjustments. The alternative strategy we developed was implemented but not in time to meet our quarterly milestone. Our plan to remedy our training milestone variance is underway and includes the following:
- adjustments to the program schedule to ensure that local Connectors sites get started early with training deliverables.
- closer communication with our Digital Connector partners - new partners agree to a more strict connection between program payment and training
- identifying new training partners to bolster trainings delivered
- vigorous efforts in training at our connected housing developments. Ecosystems are fully in place in places like CA, IL, and OR where

we are seeing good outputs and continue to expect the same as network installation efforts start picking up.

4a. In the chart below, please provide the requested information on your BTOP grant-funded SBA activities. Please also provide a short description of the activity (600 words or less). Figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please ensure that the numbers of new household subscribers and business or community anchor institution (CAI) subscribers reflected in the "Total" row represent the unduplicated number of new subscribers that can be attributed to your SBA project as a whole.

Name of the SBA Activity	Location of SBA Activity	Description of Activity (600 words or less)	Size of Target Audience	Actual Number of Participants	New Subscribers: Households	New Subscribers: Businesses and/or CAIs
Other: Affordable housing units connecte	California, S. Dakota, Atlanta, Chicago, Detroit, Milwaukee, Norfolk, Portland	Meraki wireless mesh networks installed at affordable housing sites	15,000	6,130	5,537	0
Training programs	Nationwide	1449 youth and 150 instructors trained for Digital Connector programs, 36 Community Technology Associates/Mobile Lab Van Drivers trained, mobile lab resident trainings at 15 housing developments with 686 participants, and additional digital literacy trainings led by OE staff, partners and Digital Connector youth with 21,393 participants	75,000	23,714	0	0
Awareness Campaign	Nationwide	Continued community and media outreach, with articles appearing in many outlets including Fast Company, Mashable.com, and news stories on local TV stations in Milwaukee and Norfolk.	5,500,000	6,119,151	0	0
Media/Online content	Nationwide	We developed and launched 15 community portals. Our web series 9ine completed its full episode run and won 3 Telly awards, including the Silver People's Choice. We premiered our web series Los Americans. We produced a pilot for web series Green Street Lofts. We announced winners of our mobile app development contest during a live online streaming event simulcast in DC and San Francisco	324	388	0	0
Outreach Activites	Nationwide	ontinued community and media outreach, with articles appearing in many outlets including Fast Company, Mashable.com, and news stories on local TV stations in Milwaukee and Norfolk.	0	0	0	0
Total:			**5,590,324**	**6,149,383**	**5,537**	**0**

4b. Please describe your method for determining the number of households, businesses, and/or (CAIs) subscribing to broadband as a result of your SBA programs (600 words or less).

The 5,537 subscribers are those housing units connected with BTOP resources. One Economy anticipates connecting a total of 27,000 housing units/subscribers. As a result of these efforts, we estimate that an additional 123,000 subscribers will subscribe using their own or other resources. A third-party evaluator will independently determine our impact on new subscriptions.

4c. Please provide a narrative explanation if the total number of new subscribers is different from the targets provided in your baseline plan (600 words or less).

One Economy experienced three kinds of delays in network installation, which account for the variance from our goal of 15,000 subscribers by June 30, 2011.

First, AT&T raised concerns about appropriate outdoor NEMA enclosures for network radios in projects where the new AT&T Uverse is the required solution for Internet access. This issue stopped network installation in approximately 4,000 housing units in GA, MO, and NC until a solution could be found to meet AT&T requirements. One Economy worked with AT&T over a period of several months to successfully identify appropriate enclosures, test enclosures, and gain approval for the enclosures across multiple divisions within AT&T. This process is now behind us, and we believe that we can now start to move these network installations forward.

Second, One Economy continues to face challenges with the procurement and contracting of Internet Service Providers (ISP) at a price point to meet the grant requirements in certain Eastern US markets, most notably MA, PA, and DC. One Economy cannot complete the design and installation of Internet networks without a completed ISP selection. This delay impacts approximately 5,000 units. One Economy recently met this challenge for our NY and RI projects, and we believe we are making progress on the remainder

of the markets, but it is likely that this issue will impact our progress toward our goal for at least another quarter.

Third, we continue to periodically experience more project specific delays that arise out of contract negotiations with housing organizations. Contract issues with housing organizations delayed network installations in Seattle and Tulsa, totaling over 2,000 units. Progress in both locations is now underway.

4d. Please provide the number of households and the number of businesses and CAIs receiving discounted broadband service as result of BTOP funds.

Households: 5,537	Businesses and CAIs : 0

Project Indicators (Next Quarter)

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

Through our affordable access program, One Economy will install wireless networks for affordable housing developments in Atlanta, Little Rock, Hudson NY, Kansas City, Philadelphia, Providence, St. Louis, Seattle, and Tulsa.

City-wide We Are Now Connected kick off events will occur in San Diego, Portland, Seattle, Chicago, and Detroit. These events will coincide with resident trainings and partner recognition. Digital literacy trainings will continue in California, Chicago, Milwaukee, Norfolk, Portland, Seattle, and South Dakota with housing residents. Community Technology Associates in these areas will be offering additional resident trainings. Over 40 Digital Connector programs will graduate youth, receiving their final stipend, laptops and Flip cameras.

Broadband Opportunity Coalition (BBOC) partner television and radio Public Service Announcements in various languages will be broadcast in key markets around the country.

Online content will be enhanced with the re-introduction of our award winning webseries "If I Were President" with new videos produced, documentary Harvest of Dignity will be featured, new webseries "Front Seat Chronicles" will premiere, and Green Street Loft pilot episode will also be released.

Lastly, third party evaluation at our test and control cities will be underway.

2. Please provide the percent complete anticipated for the following key milestones in your project as of the end of the next quarter. Write "0" in the second column if your project does not include this activity. If you provided additional milestones in your baseline report, please insert them at the bottom of the table. Figures should be reported cumulatively from award inception to the end of the next reporting quarter. Please provide a narrative description if the planned 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 any other relevant information)
2.a.	**Overall Project**	43	Variance is based on the delays to installations caused by challenges with Internet Service Provider (ISP) procurement, Housing developer contract delays, and unexpected ISP technical requirements.
2.b.	**Equipment Purchases**	-	Milestone Data Not Required
2.c.	**Awareness Campaigns**	-	Milestone Data Not Required
2.d.	**Outreach Activities**	-	Milestone Data Not Required
2.e.	**Training Programs**	-	Milestone Data Not Required
2.f.	**Other (please specify):**	-	Milestone Data Not Required

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 with the procurement and contracting of Internet Service Providers (ISP) that One Economy experienced this quarter will likely impact the next quarter affecting network installations as we catch up from the delays. Additionally efforts we now have in place to remedy our lower than expected training goals may take another quarter for us to catch up.

Sustainable Broadband Adoption Budget Execution Details

Activity Based Expenditures (Sustainable Broadband Adoption)

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.

Cost Classification	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		
	Total Cost (plan)	Matching Funds (plan)	Federal Funds (plan)	Total Cost	Matching Funds	Federal Funds	Total Costs	Matching Funds	Federal Funds
a. Personnel	$7,776,540	$128,750	$7,647,790	$4,409,139	$0	$4,409,139	$5,286,195	$0	$5,286,195
b. Fringe Benefits	$1,195,539	$25,750	$1,169,789	$881,828	$0	$881,828	$1,454,674	$0	$1,454,674
c. Travel	$1,094,036	$110,000	$984,036	$604,420	$0	$604,420	$650,236	$0	$650,236
d. Equipment	$963,877	$0	$963,877	$829,299	$0	$829,299	$829,299	$0	$829,299
e. Supplies	$4,254,910	$1,989,615	$2,265,295	$216,161	$0	$216,161	$1,047,442	$0	$1,047,442
f. Contractual	$4,254,172	$940,980	$3,313,192	$1,550,961	$0	$1,550,961	$2,084,763	$0	$2,084,763
g. Construction	$0	$0	$0	$0	$0	$0	$0	$0	$0
h. Other	$27,018,960	$19,053,800	$7,965,160	$6,188,295	$3,504,876	$2,683,419	$8,276,787	$4,254,876	$4,021,911
i. Total Direct Charges (sum of a through h)	$46,558,034	$22,248,895	$24,309,139	$14,680,103	$3,504,876	$11,175,227	$19,629,396	$4,254,876	$15,374,520
j. Indirect Charges	$4,956,447	$746,104	$4,210,343	$1,935,661	$0	$1,935,661	$2,629,579	$0	$2,629,579
k. TOTALS (sum of i and j)	$51,514,481	$22,994,999	$28,519,482	$16,615,764	$3,504,876	$13,110,888	$22,258,975	$4,254,876	$18,004,099

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