

RECIPIENT NAME:ONECOMMUNITY

AWARD NUMBER: NT10BIX5570067

DATE: 11/18/2011

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

### 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>  NT10BIX5570067	<b>3. DUNS Number</b>  806546326
<b>4. Recipient Organization</b>  ONECOMMUNITY 1375 Euclid Ave, STE 500, Cleveland, OH 44115-1808		
<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  09-30-2011	<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>  Jim Hay	<b>7c. Telephone (area code, number and extension)</b>  X	
	<b>7d. Email Address</b>  jhay@onecommunity.org	
<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  11-18-2011	

**Project Indicators (This Quarter)**

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

OVERALL PROJECT - program progress is behind baseline, due to delays in "make ready" and other permitting. See comments on "Construction Permits, Approvals, Rights of Way". Remediation actions have been started to get back on track. As a result of these actions, there is no risk to the project's June 2012 milestone of being 2/3 complete in terms of funds expended, middle mile backbone segments completed, and CAI's on net.

ENVIRONMENTAL ASSESSMENT - completed in Q1-2011. Environmental Protection Measures (EPMs) continue to be enforced during construction

NETWORK DESIGN - completed in Q1-2011 quarter. Optimization of designs to improve routes, address EPM's or lower costs continues on an as needed basis.

CONSTRUCTION PERMITS, APPROVALS, RIGHTS OF WAY - filings for "make ready" work with utility pole owners is underway, along with other permitting (e.g., underground permits, RR and HWY crossings). On our critical path is the utility companies' conducting their engineering and sending us a bill for the make ready work. We have initiated several strategies to overcome this obstacle, including filing as a CLEC to expedite pole attach approvals by some incumbents. All permits and pole applications for 8 of our ring segments, representing approximately 55% of the total backbone miles, are in, and are finally starting to come back. We have added permitting resources to 4 other ring segments in order to have all permits in by Nov 30, 2011. This will allow us to begin construction in Jan-Feb time frame, and complete by May, 2012, on these four and the current active segments, meeting or exceeding our milestone target.

SITE PREPARATION - on plan

EQUIPMENT PROCUREMENT - all PO's have been issued for electronics (switches, routers), fiber optic cable, and all related construction materials. Shipments continue to arrive on schedule.

NETWORK BUILD & EQUIPMENT DEPLOYMENT- both began in Q2, post-receipt of FONSI in Q1. Equipment deployments at hub sites continues on plan. Network buildout has begun, but is slower than anticipated due to make ready related issues (see above).

NETWORK TESTING - testing of completed ring segments continues on plan.

**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	35	Percent complete is based on amount budgeted vs spent, and includes both federal funds and matching funds. As this reflects the % of total funds available vs actually spent, we are at 35% complete. Our baseline is at 48% so we are behind; the baseline assumed large equipment and material expenditures would need to occur in the first 6 to 9 months. Favorable shipping and payment terms have allowed us to defer some of the larger "up front" expenditures we anticipated. In addition, the baseline assumed we would be able to make payments for "make ready" work much faster than our actual experience to-date
2b.	Environmental Assessment	100	Completed in Q1-2011. Assessment work continues in conjunction with enforcement of our Special Award Conditions related to our Environmental Protection Measures (EPMs)
2c.	Network Design	100	Completed in Q1-2011
2d.	Rights of Way	0	There were no new rights of way that were needed to be acquired. The project baseline was established as the physical walkouts were being conducted for the EA. It was assumed for planning purposes some new rights of way might be needed, and that these would be acquired during the walkout and EA process. To-date we have found no need for new Rights of Way for the project - we are in existing rights of way and are seeking permit approvals from the utility infrastructure owners. Hence the variance from the baseline.  We do anticipate we may need one or two. As these are encountered, and budget from the "Land, Structures, Rights of Way" is expended, it will be reported here.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2e.	Construction Permits and Other Approvals	47	By period end permitting with utility companies, and other entities was filed on approximately half of the network, with plans to have 70% filed by Q4-2011. We have established personal contact with all permitting entities, including railroads and dept of transportation officials as well as utility and telecom companies, and our permit applications are getting turned around much faster. We are behind our baseline as of 9/30/2011 however, which was at 90%.
2f.	Site Preparation	20	The percent complete is based upon total program budget, both federal and match portions. Baseline is at 50%.
2g.	Equipment Procurement	90	The percent complete is based on % of total program budget, both fed and match portions. All initial shipments of networking gear and fiber were received by 9/30 on plan; baseline of 70% anticipated less equipment & materials arriving in the quarter than we were able to achieve for federally funded purchases.
2h.	Network Build (all components - owned, leased, IRU, etc)	3	Percent complete is expressed as a % of the federal program budget. Baseline is at 15%, we are behind due to "make ready" taking longer than anticipated
2i.	Equipment Deployment	58	Baseline is at 10%. Equipment Deployment is at 58.57% complete, based on hub sites upgraded and in progress (not including testing).
2j.	Network Testing	9	Baseline is at 0%. We are slightly ahead of schedule having completed one of our smaller ring segments (approx 35 miles), and testing of equipment installed in the Equipment Deployment.
2k.	Other (please specify): miscellaneous items	100	we have incurred project-inception-to-date miscellaneous administrative costs which have been recovered from the project (0.16% of total federal spending)

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).

BARRIERS TO IMPLEMENTATION - delays in responses to our requests for "make ready" work by incumbent utility pole owners. We are experiencing "above average" response times from the railroads (RR) and Ohio Dept of Transportation (ODOT) on their requests. And a number of incumbent utility pole owners are extremely responsive. However, 80% of our poles are owned by First Energy (FE) operating companies, and it has been slow going. We have established personal lines of communications with FE operating companies now, and responses are rapidly improving. The Project is estimated to be 1-2 months behind, and should make most of that up in Q4, 2011.

NTIA TECHNICAL ASSISTANCE - none at this time

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	35	Ring Segment 14 (of 16) was completed, 34.7 miles, plus several rings have partial mileage completed. Baseline is at 150 miles, we are behind due to make ready.
New network miles leased	2	IRU to reach CAI from BTOP backbone (Akron Univ) was secured from First Telecom.
Existing network miles upgraded	498	All existing network miles upgraded with existing hub site electronics upgrades. Baseline of 808 is incorrect amount. Note that all existing hub sites will be interconnect points for one or more of the new fiber rings being built in the BTOP program.

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Existing network miles leased	230	all existing network miles LEASED have been upgraded with existing hub site electronics upgrades. Baseline of 392 was based on a lease which we terminated in Mahoning & Columbiana counties, due in part to route changes made to avoid any overlap issues in Columbiana County with another BTOP recipient.
Number of miles of new fiber (aerial or underground)	37	Total of new network miles deployed and newly leased miles. 35 miles of brand new fiber have been deployed. And a 2 mile IRU was signed to reach CAI Akron University (IRU with First Telecom). These are 37 new miles and NOT any existing miles in this total.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	79	Baseline is at 84 of 271 total. Current total is at 137 planned interconnect points, of which 79 have been established/ upgraded, with another 58 in progress.

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	1
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	2
Average term of signed agreements (in quarters)	20

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: SIGNED - NOVA TELEPHONE - - 60 month term, 1Gigabit subscription

NEGOTIATION - WINDSTREAM - 2 IRU agreements under negotiation (1 @ 50 miles 4 fibers 20 years; 1 @41 miles for 4 fibers 20 years)

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:

None 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 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)
Broadband Wholesalers or Last Mile Providers	Providers with signed agreements receiving new access	0	none

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Providers with signed agreements receiving improved access	1	Nova Telephone
	Providers with signed agreements receiving access to dark fiber	0	on plan
	Please identify the speed tiers that are available and the number of subscribers for each	1	1 Gigabit (Nova Telephone)
Community Anchor Institutions (including Government institutions)	Total subscribers served	151	Includes all new and existing CAI's, including hospitals, school districts (where all locations have expanded access), libraries, higher education institutions, and local government locations as well as other community service organizations
	Subscribers receiving new access	121	We secured 121 new client locations to which we are providing expanded broadband capabilities at a lower costs to these community anchor institutions.
	Subscribers receiving improved access	30	30 existing CAI customers received upgraded access as of 9/30/2011
	Please identify the speed tiers that are available and the number or subscribers for each	151	10 Mbps 22 ( incl 1 cust receiving internet only service) 50 Mbps 8 100 Mbps 108 customers 250 Mbps 1 customers 500 Mbps 1 customers 1 Gbps 9 customers (1 w/1 gig port, offering 100 mbps to 102 locations) 10 Gbps 2 customers (incl dark fiber pairs)
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).**

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).**

Not applicable.

**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
Addendum	OH	All	Yes	Please reference the FORM ADDENDUM submitted with this report

**Project Indicators (Next Quarter)**

**1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).**  
 OVERALL PROJECT - program progress is behind baseline, due to delays in "make ready" and other permitting. Remediation actions have been started to get back on track. We have added additional engineering resources experienced in permitting, and all permits and pole applications for all routes required for a 2/3 completion by June will be submitted by December, 2011. In addition, we have started weekly status calls with First Energy/Ohio Edison, which account for 80% of the utility poles in our footprint. We do not anticipate any risk to our June 2012 milestone of being 2/3 complete.  
 ENVIRONMENTAL ASSESSMENT - completed in Q1-2011. Environmental Protection Measures (EPMs) continue to be enforced during construction  
 NETWORK DESIGN - completed in Q1-2011 quarter. Optimization of designs to improve routes, address EPM's or lower costs continues on an as needed basis.  
 CONSTRUCTION PERMITS, APPROVALS, RIGHTS OF WAY - filings for "make ready" work with utility pole owners for 70% of the network is targeted to be completed by end of Q4 2011, along with other permitting for underground permits, RR and HWY crossings. On our critical path is the utility companies' conducting their engineering and sending us a bill for the make ready work. We have initiated several strategies to overcome this obstacle, including filing as a CLEC to expedite pole attach approvals by some incumbents.  
 SITE PREPARATION - on plan  
 EQUIPMENT PROCUREMENT - all PO's have been issued for electronics (switches, routers), fiber optic cable, and all related construction materials. Shipments continue to arrive on schedule. We anticipate all fiber deliveries will be in by January, 2012, on schedule, securing our supply of fiber optic cable for deployment.  
 NETWORK BUILD & EQUIPMENT DEPLOYMENT- both began in Q2, post-receipt of FONSI in Q1. Equipment deployments at hub sites will continue on plan during the quarter, as will network buildout (but is slower than anticipated due to make ready related issues (see above)).  
 NETWORK TESTING - testing of completed ring segments continues on plan.

**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	58	Percentage complete is based on total project budget expended, including federal and matching portions. We are aggressively pursuing make ready and other permitting on over 70% of the network in program scope. We are pushing to have "make ready" paid for and in progress by December 31, 2011, allowing us plenty of time in Q1 and Q2 to finish those ring segments.
2b. Environmental Assessment	100	complete. Incidental EA costs are incurred as our Special Award Conditions (SACs) are enforced for Environmental Protection Measures to which we committed.
2c. Network Design	100	Complete. Incidental design costs are incurred as route optimization continues during the build phase.
2d. Rights of Way	0	We do not foresee the need for any new Rights of Way during this project, as we are deploying in existing Rights of Way. To-date we have found no need for new Rights of Way for the project - we are in existing rights of way and are seeking permit approvals from the utility infrastructure owners. Hence the variance from the baseline will continue.  We recognize we may need one or two additional new ROW's. As these are encountered, and budget from the 424C category of "Land, Structures, Rights of Way" is expended, it will be reported here.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2e.	Construction Permits and Other Approvals	80	We are aggressively pursuing make ready and other permitting on over 70% of the network in program scope. We are pushing to have "make ready" paid for and in progress by December 31, 2011, allowing us plenty of time in Q1 and Q2 to finish those ring segments.
2f.	Site Preparation	20	On plan based on location preparations. We are under budget, as we've only had to spend 20% of budgeted funds in order to get sites prepared to move into. I anticipate the remaining budget, however, may be needed for several new locations yet to be identified. With respect to our 2/3 milestone in June, 2013, we have updated all locations required to support that 2/3 build out, so we are on plan but under budget.
2g.	Equipment Procurement	95	We anticipate having almost all equipment in-house by quarter-end / year-end for the major backbones and laterals for the program.
2h.	Network Build (all components - owned, leased, IRU, etc.)	9	We anticipate build phase will continue to expand as pathways are cleared for "make ready".
2i.	Equipment Deployment	70	We anticipate being able to finish up to 70% of the Equipment Deployment phase, as fiber is run and terminated in our hub sites. This is dependent on the Network Build, however, which is dependent on the Construction Permits for "make ready".
2j.	Network Testing	32	With the continued deployment of equipment and "lighting" of the fiber, Network Testing will continue on plan.
2k.	Other (please specify): miscellaneous items	100	Additional planned incidental expenses will be less that 0.5% in total

**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).**

Items specific to this project: completion of "make ready" by utility pole owners so that permanent attachment can proceed as planned. We have had successes with ODOT permitting, and railroad permitting is being processed in a timely manner. Many utility pole owners have been quick to turn around our pole applications, including ATT, Frontier, and CenturyLink. However, 80% of our footprint involves First Energy/Ohio Edison poles, and they are running behind. During Q3 we have made good progress, and have established a weekly call with FE/OE to review progress. During Q4 our goals are: (1) for all routes required to meet the 2/3 completion target, have all permits submitted; (2) for all permits already on file as of Q3 end, have 50% or more approved and back. These goals if met will easily allow us to complete 2/3 of the project in terms of funds spent, and back bone miles deployed.

BTOP Program Assistance: none at this time.

### 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	\$268,147	\$24,379	\$243,768	\$73,026	\$12,089	\$60,937	\$127,026	\$12,089	\$114,937
b. Land, structures, right-of-ways, appraisals, etc.	\$4,261,800	\$0	\$4,261,800	\$2,008,381	\$0	\$2,008,381	\$10,354,219	\$0	\$10,354,219
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
e. Other architectural and engineering fees	\$1,230,720	\$900,000	\$330,720	\$1,685,896	\$65,824	\$1,620,072	\$2,000,810	\$255,824	\$1,744,986
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$180,250	\$180,250	\$0	\$20,000	\$20,000	\$0	\$20,000	\$20,000	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$35,225,331	\$15,494,088	\$19,731,243	\$1,543,025	\$289,409	\$1,253,616	\$4,572,838	\$1,236,356	\$3,336,482
j. Equipment	\$28,631,231	\$8,404,716	\$20,226,515	\$19,110,085	\$3,232,968	\$15,877,117	\$23,622,231	\$3,391,416	\$20,230,815
k. Miscellaneous	\$185,000	\$185,000	\$0	\$10,079	\$0	\$10,079	\$122,579	\$100,000	\$22,579
<b>l. SUBTOTAL (add a through k)</b>	\$69,982,479	\$25,188,433	\$44,794,046	\$24,450,492	\$3,620,290	\$20,830,202	\$40,819,703	\$5,015,685	\$35,804,018
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>n. TOTALS (sum of l and m)</b>	\$69,982,479	\$25,188,433	\$44,794,046	\$24,450,492	\$3,620,290	\$20,830,202	\$40,819,703	\$5,015,685	\$35,804,018

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