

RECIPIENT NAME:ONECOMMUNITY

AWARD NUMBER: NT10BIX5570067

DATE: 02/27/2012

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>  12-31-2011	<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>  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>  02-27-2012	

**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. Anticipated completion date is June 30, 2013.

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 complete for over 80% of the network - more than enough to meet our 2/3 milestone. All other permitting for those key segments is also complete or underway (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. The bulk of our footprint has poles belonging to Ohio Edison (OE). OE has committed to complete all make ready on 75% of our network at milestone dates of 3/31/12 and 6/1/12, which will leave us time to complete construction.

SITE PREPARATION - on plan. All hub sites have had new electronics installed, and are awaiting the installation of the fiber.

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, with the last shipments expected in Q1 2012.

NETWORK BUILD & EQUIPMENT DEPLOYMENT- both began in Q2, post-receipt of FONSI in Q1. Equipment deployments at hub sites continues on plan. Network build out has begun, but is slower than anticipated due to make ready related issues (see above). We have completed one of 14 new ring segments, and make ready and construction began or continued in the quarter on 8 other new segments.

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	42	Percent complete is based on total program 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 56% so we are behind a bit. We are at 57% of federal funds expended, and will be at 2/3 by June 30, 2012 per our milestone.
2b.	Environmental Assessment	100	Our Environmental Assessment was 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. Network design activities occur as needed for route optimization and EPM enforcement.
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	58	<p>Significant progress was made during Q4 2011, and we are getting back on track toward our 2/3 completion milestone.</p> <p>By period end permitting with utility companies, and other entities was filed on approximately 3/4 of the network. Our largest pole owner in our Project Area is Ohio Edison. We currently have agreement from them to deliver on 3/31 and again on 6/1 sufficient poles that we will be able to complete our 2/3 milestone by 6/30/2012. This is of course subject to winter weather.</p> <p>We are behind our baseline as of 12/31/2011 however, which was at 95%. Percent complete is stated as a percent of total budget vs actual. This 58% reflects the amount of total project budget spent.</p>
	2f. Site Preparation	24	We remain on plan. Baseline is at 60%, however, we have not had need to expend any further funds on site preparation as of 12-31-2011.
	2g. Equipment Procurement	100	Percent complete is percent of budget expended. As of 12-31-11 all but one shipment had been received. We have all fiber and electronics to complete the core network build out and major laterals outlined in our application.
	2h. Network Build (all components - owned, leased, IRU, etc)	6	Percent complete is expressed as percent of budget. As a percent of miles, we are approximately 7% complete. We are behind our baseline of 25% due to slow start up due to make ready work delays. we expect to be at 67% by 6/30/2011 still given current commitments from utility pole owners - once paths are cleared we have sufficient crews and materials in inventory to complete the work.
	2i. Equipment Deployment	13	We are on plan, given the delays due to make ready. Equipment is staged and waiting on the fiber. Baseline is at 25% so we are a bit behind.
	2j. Network Testing	7	We are on plan, given the delays due to make ready. Equipment is staged and waiting on the fiber. Baseline is at 15% so we are a bit behind.
	2k. Other (please specify): Legal	100	Percent complete is expressed as a percent of budget expended. We have had minor cost overruns, primarily in legal fees to review subrecipient and vendor contracts for compliance, and in obtaining a CLEC license so we could apply for access to certain utility pole owners' poles.

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 saw vast improvement in Q4 2011, with the key utility pole owner in our footprint - Ohio Edison - dedicating a team of people to engineering our routes, and committing to finish "make ready" at milestones in Q1 and Q2 which will allow us to finish construction on 2/3 of our network. At this time only weather related delays threaten progress. The delays are due to the incumbent pole owners' inability to engineer and perform make ready work in a timely manner. In this current quarter we have all poles submitted and being processed by incumbent pole owners which will allow us to reach our June 30 two thirds complete milestone.

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)

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
New network miles deployed	73	Network miles deployed is behind baseline due to delays with "make ready" work by incumbent pole owners. I expect to be on schedule with my baseline by Q3 2012.
New network miles leased	1	First Telecom IRU purchased in October (.78 miles into Univ of Akron). Also, purchase from Conneaut Telephone of .1 miles 6 strands to reach Kingsville Medical Clinic.  Prior to this, in Q3's report an IRU for 1.9 miles from Conneaut Telephone was reported, tying into the Conneaut Telephone head end. This was actually a purchase of the fiber and its related outside plant, it was NOT an IRU/lease. These are now BTOP assets (not an IRU).
Existing network miles upgraded	498	all existing fiber upgrades are complete as of Q3, 2011
Existing network miles leased	230	all existing fiber upgrades are complete as of Q3, 2011
Number of miles of new fiber (aerial or underground)	74	Total of new network miles deployed and newly leased miles. 35 miles of brand new fiber have been deployed.
Number of new wireless links	0	n/a
Number of new towers	0	n/a
Number of new and/or upgraded interconnection points	71	Existing and planned interconnection points change due to consolidations of interconnecting parties (e.g., Global Crossing was acquired by Level 3, etc..).  Current total is at 137 planned interconnect points, of which 71 have been established/upgraded. Last quarter reported 79, and several were lost due to further consolidations. Of these, 23 were existing interconnect points.

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	3
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	0
Average term of signed agreements (in quarters)	65

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  
- WINDSTREAM - 2 IRU agreements under negotiation (1 @ 50 miles 4 fibers 20 years; 1 @41 miles for 4 fibers 20 years)  
- ZITO MEDIA - IRU for 8 dark fibers, 15 miles, 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:

Through pre-existing wholesale arrangements, we are now offering circuits to our wholesale partners of Global Crossing, North Coast Wireless, Next Internet, Windstream KDL, Mango Bay Internet, Zito Media, ACC, and Nova Telephone. Average bandwidth they are offering on resold service is 140 mbps.

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	3	Ahead of plan.
	Providers with signed agreements receiving improved access	7	All existing wholesale relationships who recently purchased a circuit for a customer of theirs off of a new ring segment
	Providers with signed agreements receiving access to dark fiber	3	see remarks above in Question 5b for details
	Please identify the speed tiers that are available and the number of subscribers for each	1	1 gbps circuit 1 provider 10+ gbps/dark fiber 2 providers  Avg circuit size is 250 mbps purchased by wholesale partners.
Community Anchor Institutions (including Government institutions)	Total subscribers served	163	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	125	Ahead of plan
	Subscribers receiving improved access	38	Ahead of Plan
	Please identify the speed tiers that are available and the number of subscribers for each	163	<10 Mbps 6 customers 10-50 Mbps 28 customers 50-100 Mbps 4 customers 100 Mbps - 1 Gbps 115 customers >= 1 Gbps 10 customers
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 during Q4 were offered.

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
see excel addendum	addendum	addendum	addendum	addendum

**Project Indicators (Next Quarter)**

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

OVERALL PROJECT - weather permitting, the project will reach 50% or higher completion during Q1 2012. Remediation actions begun in Q3 and Q4 2011 with key utility pole owners are helping us 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. The only risk at this point is weather, which could delay "make ready" commitments by Ohio Edison and other utility pole owners. It's important to note that bad weather anywhere in the Eastern US can impact schedule (example being the snow storm of Oct, 2010 where Ohio Edison sent crews to New Jersey for 2 weeks to help out).

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

NETWORK DESIGN - completed in Q1-2011. 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 was completed for over 80% of the network in Q4, 2012. Remaining on our critical path is the utility companies' conducting their engineering and sending us a bill for the make ready work. The bulk of our footprint has poles belonging to Ohio Edison (OE). OE has committed to complete all make ready on 75% of our network at milestone dates of 3/31/12 and 6/1/12, which will leave us time to complete construction on at least 67% of the core network. Baseline is at 97%; with respect to actual work we should be nearer to 80%.

SITE PREPARATION - on plan. All hub sites have had new electronics installed, and are awaiting the installation of the fiber. EQUIPMENT PROCUREMENT - The final shipments of fiber are due in during Q1 2012. We will have enough electronics, fiber and materials to complete the core network. Going forward purchases of equipment will involve replenishing inventories of outside plant (OSP) construction materials (bolts, etc..) and replenishing inventories of small switches deployed at customer locations as customer premise equipment (CPE). Baseline is at 80%; we will be closer to 90%

NETWORK BUILD & EQUIPMENT DEPLOYMENT- Equipment deployments at hub sites continues on plan - it is largely complete, and awaiting the arrival of fiber. Network build out will begin to ramp up in Q1 2012, as OE and other utility pole owners complete their make ready work on poles. We will complete at least two of 14 new ring segments, and make ready and construction which began in Q4 2011 will continued in the quarter on 7 other new segments. Baseline is at 40% for both, and we will be at 33%. Again, weather permitting.

NETWORK TESTING - testing of completed ring segments continues on plan, as rings are completed (behind baseline, as construction and deployment are - baseline of 30% vs plan at 26%).

**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	54	Against a baseline of 65%, the project will make significant headway in getting back on track as a result of intense efforts with utility pole owners to complete make ready. Key risk to the project schedule at this point is the weather.
2b.	Environmental Assessment	100	Our environmental assessment is complete and on file; enforcement of all Environmental Protection Measures (EPMs) continues through construction.
2c.	Network Design	100	The core network design was completed in Q1 2011; design work continues as needed as a result of route optimization and EPM enforcement.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
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.
2e.	Construction Permits and Other Approvals	80	Percent complete expressed as a percent of the total core network which has been "cleared" for all make ready and permitting.
2f.	Site Preparation	24	Site preparation will continue as required for core network hub sites. We do not anticipate needing any additional work during the quarter, so we are under budget at this point (i.e., behind baseline of 65% of budget)
2g.	Equipment Procurement	100	We anticipate receipt of the final shipments of fiber, completing receipt of all equipment and materials for the core network. Equipment purchases going forward will primarily be related to customer premise equipment (CPE) to replenish inventories as CAI's are connected.
2h.	Network Build (all components - owned, leased, IRU, etc.)	10	Expressed as a percent of budget. Baseline is at 40%. We are behind due to make ready work, however, we are also seeing favorable actual expenses as compared to budgets for work that has been completed.
2i.	Equipment Deployment	64	Against a baseline of 40% complete, we will be over 50% complete, as all equipment is staged and awaiting the arrival of fiber at the facilities.
2j.	Network Testing	24	Against a baseline of 30%, testing activities should begin to ramp up as more hub site locations are reached during the quarter
2k.	Other (please specify): legal, admin, misc	100	Additional planned incidental expenses will be less than .5% of total grant

**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).**

MAKE READY - during Q4 2011 we made significant headway with Ohio Edison, and have their commitment to complete make ready on almost 50% of the network by March 31, 2012, and another 25% by June 1, 2012. If they meet these commitments, we will be able to meet our June 30, 2012 milestone of 2/3 of core network completed.

WEATHER - the weather can adversely impact schedule, not only within our Project Area but anywhere in the Midwest or Eastern US. Make ready is a second priority to maintenance and outages for any utility company, including Ohio Edison. Even storms in adjacent states can cause a redeployment of resources to help out, leaving only enough local crews for maintenance work, and putting make ready on hold.

CAI COUNTS - CAI counts for the quarterly PPR reports included new CAI locations that were provided service as part of larger group service agreements, some of which were serviced by third party networks in order to support the entire group. CAI locations in some of the groups include, therefore, on-net locations as well as some "offnet" locations. At the "offnet" locations, we still deploy a switch in order to monitor and manage service levels to the CAI.

**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	\$83,962	\$12,088	\$71,874	\$97,299	\$12,088	\$85,211
b. Land, structures, right-of-ways, appraisals, etc.	\$4,261,800	\$0	\$4,261,800	\$2,509,819	\$24,419	\$2,485,400	\$5,904,699	\$24,419	\$5,880,280
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	\$1,773,114	\$82,516	\$1,690,598	\$1,805,088	\$82,516	\$1,722,572
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$180,250	\$180,250	\$0	\$23,955	\$23,955	\$0	\$23,955	\$23,955	\$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	\$2,944,523	\$721,530	\$2,222,993	\$5,234,752	\$1,528,489	\$3,706,263
j. Equipment	\$28,631,231	\$8,404,716	\$20,226,515	\$22,432,494	\$3,196,850	\$19,235,644	\$24,888,873	\$3,683,792	\$21,205,081
k. Miscellaneous	\$185,000	\$185,000	\$0	\$17,464	\$2,974	\$14,490	\$21,964	\$2,974	\$18,990
<b>l. SUBTOTAL (add a through k)</b>	\$69,982,479	\$25,188,433	\$44,794,046	\$29,785,331	\$4,064,332	\$25,720,999	\$37,976,630	\$5,358,233	\$32,618,397
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	\$29,785,331	\$4,064,332	\$25,720,999	\$37,976,630	\$5,358,233	\$32,618,397

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
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