

RECIPIENT NAME:ONWAV INC.

AWARD NUMBER: NT10BIX5570080

DATE: 08/19/2011

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 NT10BIX5570080	3. DUNS Number 800782943
4. Recipient Organization ONWAV INC. 1609 Fairway Drive, Cookeville, TN 38501-2024		
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 Michael Powell	7c. Telephone (area code, number and extension) 9315447224	
	7d. Email Address Mpowell@onwav.com	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 08-19-2011	

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 After working extensively with the Tennessee State Historic Preservation Officer, OnWav was able to mitigate his concerns and clearance was received for the 10th of 10 sites.
 OnWav completed the Environmental Assessment Report. All modifications requested were made and a final EA Report was accepted by NTIA.
 OnWav Issued a Request For Proposal (RFP) to resolve both equipment procurement as well as necessary financing. However, no suitable bids were received and OnWav did not award a contract.
 OnWav signed Options for land purchase for the three proposed new tower constructions. These options give OnWav the right to purchase the necessary land to construct the three towers proposed in this project.
 OnWav is in negotiations with a 3rd party to provide matching support. This will result in a technology change in OnWav's project, and as a result a network design change. The negotiations and expected network design change have put any portions of the project on delay as details are finalized. OnWav has begun drafting a technology change memo and accompanying budget change to be submitted in Q3 2011.
 At the end of the quarter, OnWav received it's Finding of No Significant Impact (FONSI). This clears the final Environmental requirement and completes the Environmental portion of the Specific Award Conditions (SAC).

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	5	Due to the delay in receipt of a FONSI, OnWav has not been able to begin expending funds related to components of the deployment which have the FONSI as a prerequisite. OnWav is preparing plans for expenditure to ensure that the project can be accelerated once the FONSI is complete, but it is expected to take multiple quarters to catch up.
2b.	Environmental Assessment	100	No Variance from Baseline
2c.	Network Design	0	OnWav has begun initial analysis of the Final Network design. However, finalization was not completed because it is dependent on both vendor selection as well as plans and benefits of working with the 3rd party who will be providing matching support. In order to get back on track OnWav will be issuing a new RFP for equipment which will also include Network design finalization. Due to FONSI delays, it is expected that it will take multiple quarters to catch up.
2d.	Rights of Way	0	No Variance from Baseline
2e.	Construction Permits and Other Approvals	0	Due to the delay in receipt of a FONSI, OnWav has not been able to begin expending funds related to components of the deployment which have the FONSI as a prerequisite. OnWav is revising it's plans to take advantage of new relationships with a 3rd party who will be providing matching support, however it is expected to take multiple quarters to catch up/
2f.	Site Preparation	0	No Variance from Baseline
2g.	Equipment Procurement	0	No Variance from Baseline
2h.	Network Build (all components - owned, leased, IRU, etc)	0	No Variance from Baseline
2i.	Equipment Deployment	0	No Variance from Baseline
2j.	Network Testing	0	No Variance from Baseline
2k.	Other (please specify): BSS-OSS	0	OnWav's plans for BSS and OSS systems have been temporarily put on hold pending the 3rd party match support. OnWav is working on a plan which will not only bring progress on this category back to schedule, but complete it early. In the meantime, progress will be slow until the new

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			plan can be implemented. OnWav hopes to have this resolved by the end of 2011 if not sooner.

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).
 Because the Finding of No Significant Impact (FONSI) was a requirement to continuation of the deployment, this has delayed the overall project until all environmental work could be completed.
 Additionally because the Equipment Procurement RFP was unsuccessful, OnWav was left with limited financing options. OnWav is remedying this by having located a 3rd party provider of match funding. OnWav is re-evaluating it's Equipment Procurement Request For Proposal (Equipment RFP) and will likely issue a new RFP in the future taking into considering comments of equipment vendors who chose not to bid under the original RFP.

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	No Variance from Baseline
New network miles leased	0	No Variance from Baseline
Existing network miles upgraded	0	No Variance from Baseline
Existing network miles leased	0	No Variance from Baseline
Number of miles of new fiber (aerial or underground)	0	No Variance from Baseline
Number of new wireless links	0	No Variance from Baseline
Number of new towers	0	No Variance from Baseline
Number of new and/or upgraded interconnection points	0	No Variance from 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	3
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:
 OnWav is still in negotiation with wholesalers as well as last mile providers for interconnection.

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:
 OnWav is still in the process of deploying the network, as a result, OnWav does not yet have any products available yet.

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).

OnWav has not designated a third party to operation any of its network. OnWav will operate and manage the entire network internally.

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	OnWav is still in the negotiation stage for contracts relating to Broadband Wholesalers or Last Mile Providers
	Providers with signed agreements receiving improved access	0	OnWav is still in the negotiation stage for contracts relating to Broadband Wholesalers or Last Mile Providers
	Providers with signed agreements receiving access to dark fiber	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	OnWav is still in the negotiation stage for contracts relating to Broadband Wholesalers or Last Mile Providers
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	OnWav's network is not yet complete with construction, as a result subscribers will not be added until future quarters
	Subscribers receiving new access	0	OnWav's network is not yet complete with construction, as a result subscribers will not be added until future quarters
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	OnWav's network is not yet complete with construction, as a result subscribers will not be added until future quarters
Residential / Households	Entities passed	0	OnWav's network is not yet complete with construction, as a result no households have yet been passed, but this will increase in future quarters
	Total subscribers served	0	OnWav's network is not yet complete with construction, as a result no households have yet been passed, but this will increase in future quarters
	Subscribers receiving new access	0	OnWav's network is not yet complete with construction, as a result no households have yet been passed, but this will increase in future quarters
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	OnWav's network is not yet complete with construction, as a result no households have yet been passed, but this will increase in future quarters
Businesses	Entities passed	0	OnWav's network is not yet complete with construction, as a result no businesses have yet been passed, but this will increase in future quarters
	Total subscribers served	0	OnWav's network is not yet complete with construction, as a result no businesses have yet been passed, but this will increase in future quarters
	Subscribers receiving new access	0	OnWav's network is not yet complete with construction, as a result no businesses have yet been passed, but this will increase in future quarters
	Subscribers receiving improved access	0	N/A

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Please identify the speed tiers that are available and the number of subscribers for each	0	OnWav's network is not yet complete with construction, as a result no businesses have yet been passed, but this will increase in future quarters

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

OnWav is still in the process of deploying the network, as a result, OnWav does not yet have any products available yet.

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

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

OnWav has not made any changes to its network management practices over the last quarter.

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
N/A	N/A	N/A	N/A	N/A

Project Indicators (Next Quarter)

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

In the next quarter, OnWav intends to complete the site acquisition for 7 existing sites. Once this site acquisition is complete, OnWav will begin the process of acquiring zoning approvals for installation at the 7 existing sites.

In parallel to this, OnWav hopes to complete land acquisition for the 3 new sites.

OnWav is exploring avoiding the need to update it's BSS and OSS systems by utilizing a system provided by a 3rd party. However, it may take multiple quarters to finalize this solution.

Much of OnWav's deployment project will involve contracting outside vendors to supply expertise, assistance and equipment. OnWav intends to begin releasing a series of Requests for Proposals (RFPs) to allow potential partners bid and explain what services they can provide OnWav. The first RFP will be for and Equipment Procurement and Logistics. Additionally, the RFP will have an RF Engineering component to complete the Network Design Milestone.

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	12	Due to the delay in receipt of a FONSI, OnWav will need to rush to finalize work and contracts to expend funds and begin deployment. OnWav is revising its budget and plan in order to facilitate a faster deployment and funds expenditure.
2b.	Environmental Assessment	100	No Deviation from the Baseline
2c.	Network Design	100	No Deviation from the Baseline
2d.	Rights of Way	0	OnWav is expecting to experience some delays in this category due to a technology change facilitated by a new relationship with a 3rd party. Once this is complete, OnWav plans to aggressively move forward with deployment. The technology change itself will not impact this category, however the planning

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
			associated with it needs to be complete prior to begin. OnWav does not expect delays to last longer than 1 quarter.
2e.	Construction Permits and Other Approvals	6	OnWav is expecting to experience some delays in this category due to a technology change facilitated by a new relationship with a 3rd party. Once this is complete, OnWav plans to aggressively move forward with deployment. The technology change itself will not impact this category, however the planning associated with it needs to be complete prior to begin. OnWav does not expect delays to last longer than 1 quarter.
2f.	Site Preparation	0	No deviation from the baseline next quarer. OnWav is still intending to being work on this milestone in late 2011. Some of the delay in getting environmental clearance, as well as the 3rd party match funding may propogate to delay this milestone, but OnWav is making efforts to mitigate that risk.
2g.	Equipment Procurement	0	No deviation from the baseline next quarer. OnWav is still intending to being work on this milestone in late 2011. Some of the delay in getting environmental clearance, as well as the 3rd party match funding may propogate to delay this milestone, but OnWav is making efforts to mitigate that risk.
2h.	Network Build (all components - owned, leased, IRU, etc.)	0	No Deviation from the Baseline
2i.	Equipment Deployment	0	No deviation from the baseline next quarer. OnWav is still intending to being work on this milestone in late 2011. Some of the delay in getting environmental clearance, as well as the 3rd party match funding may propogate to delay this milestone, but OnWav is making efforts to mitigate that risk.
2j.	Network Testing	0	No Deviation from the Baseline
2k.	Other (please specify): BSS-OSS	0	OnWav's plans for BSS and OSS systems have been demporarily put on hold pending the 3rd party match support. OnWav is working on a plan which will not only bring progress on this category back to schedule, but complete it early. In the meantime, progress will be slow until the new plan can be implemented. OnWav hopes to have this resolved by the end of 2011 if not sooner.

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).

Working to speed through the site acquisition after a delay in getting the Environmental work complete has compressed the timeline and made things more difficult, but OnWav has planned methods which will expedite this process. One method already implemented is to acquire rights to site acquisition which (now that the Environmental clearance has been received) can be exercised to acquire land for the 3 new towers. A second method is to wrap multiple stages of work into a single RFP so that more components can be bid simultaneously and completed more quickly. OnWav will also be issuing RFPs based on comments from vendors who did not bid on the previous RFP in order to encourage greater participation.

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	\$405,000	\$405,000	\$0	\$308,967	\$308,967	\$0	\$496,830	\$496,830	\$0
b. Land, structures, right-of-ways, appraisals, etc.	\$2,303,662	\$88,600	\$2,215,062	\$2,500	\$0	\$2,500	\$94,786	\$0	\$94,786
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$124,440	\$0	\$124,440	\$17,575	\$0	\$17,575	\$82,496	\$0	\$82,496
e. Other architectural and engineering fees	\$30,417	\$0	\$30,417	\$0	\$0	\$0	\$24,334	\$0	\$24,334
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$7,500	\$7,500	\$0	\$0	\$0	\$0	\$7,500	\$7,500	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$267,975	\$199,575	\$68,400	\$0	\$0	\$0	\$37,500	\$37,500	\$0
j. Equipment	\$2,368,083	\$189,281	\$2,178,802	\$0	\$0	\$0	\$0	\$0	\$0
k. Miscellaneous	\$994,918	\$427,592	\$567,326	\$0	\$0	\$0	\$63,112	\$0	\$63,112
l. SUBTOTAL (add a through k)	\$6,501,995	\$1,317,548	\$5,184,447	\$329,042	\$308,967	\$20,075	\$806,558	\$541,830	\$264,728
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$6,501,995	\$1,317,548	\$5,184,447	\$329,042	\$308,967	\$20,075	\$806,558	\$541,830	\$264,728

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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