

RECIPIENT NAME:COM Net, Inc.

AWARD NUMBER: NT10BIX5570072

DATE: 05/21/2012

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 NT10BIX5570072	3. DUNS Number 957284334
4. Recipient Organization COM Net, Inc. 13888 County Road 25 A, Wapakoneta, OH 45895-8316		
5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2012	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 Timothy Berelsman	7c. Telephone (area code, number and extension) X	
	7d. Email Address tberelsman@cniteam.com	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-21-2012	

Project Indicators (This Quarter)

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

Community Outreach:
 Com Net participated on a panel with NTIA and fellow BTOP recipients at the OPASTCO Winter Conference in Orlando, FL. Com Net met with U.S. House Representatives for several of the counties located within the coverage area of the GigEPAC project. Com Net held several meetings with County Engineers, County Commissioners, Village Administrators, Colleges and Universities, State Agency Directors and other key individuals throughout the 1st quarter of 2012. Com Net, also, attended several council meetings with the Ada Village Council and conducted a public meeting with land owners in Hardin County located along the planned fiber route.

CAI Connections:
 Com Net finalized connectivity of the Defiance Mercy Hospital to Saint Vincent and Saint Charles Hospitals in the Toledo metro area; upgraded the Parkway School District from unlicensed wireless to Fiber-to-the-School, upgraded the Crestview School District from unlicensed wireless to Fiber-to-the-School and worked with OARnet to establish connectivity from the Ohio Public Library Information Network (OPLIN) Point-of-Presence in Columbus, OH to its backhaul facilities on one-end, while working with BIP recipient, Wabash Mutual Telephone Company, to establish connectivity to the Fort Recovery Library on the other end in order to provide a point-to-point connection for this library Community Anchor Institution. Com Net placed service loops at the boundary between road right-of-way and property of other Community Anchor Institutions as part of our route design for the establishment of future services.

Equipment Procurement and Deployment:
 Com Net cut its second set of DWDM Points-of-Presence into service in the 1st Quarter of 2012 spanning from Celina, OH to Ottoville, OH passing through Wabash, OH and Van Wert, OH. Com Net relocated its legacy dedicated Internet access Point-of-Presence to Toledo, OH and established an interconnect and peering point out of Level3's Carrier's Network Center.

Network Design and Permitting:
 Com Net focused it resources on further progressing the finalization of all construction plans by the end of the 2nd Quarter of 2012 and accelerated permit applications in preparation for a very aggressive construction period from the Spring of 2012 thru the Fall of 2012. At the end of the quarter, 440.25 route miles were through design with partial completion through CAD and permitting.

Network Build Out:
 Based on the favorable winter construction period during the first quarter of 2012, Com Net was able to pursue an aggressive winter construction schedule completing 74 miles of new construction,bringing our total new construction route miles to 214 during the quarter while deploying network equipment at 4 additional Points-of-Presence (PoPs).

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	28	Negative variance versus baseline of 28% and negative variance versus 2011 Q4 PPR of 1%. The negative variance was driven primarily due to excess crew moves negatively impacting projected construction progress and utilization of design resources to focus on route modifications and associated supporting documentation.
2b.	Environmental Assessment	100	All future activity by environmental consultant shall be considered part of construction and/or as a construction permit and other approval.
2c.	Network Design	57	Positive variance versus Baseline of 2% and negative variance of 10% versus 2011Q4 PPR projections. The negative variance was a result of design resources being refocused on route modification efforts and a higher than expected level of support with right-of-way and permitting efforts.
2d.	Rights of Way	39	Negative variance versus baseline of 25% and a negative variance versus 2011Q4 PPR projection of 3%. Significant progress was made on securing right-of-way authorization in Hardin County and Shelby County as projected. Permits were still outstanding with Miami County at the end of the 1st quarter of 2012.

	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	32	Negative variance versus baseline of 32% and a negative variance versus 2011 Q4 PPR projection of 7%. This was primarily driven by higher than expected level of support required in securing rights-of-way in Hardin, Shelby and Miami counties, as well as the redirection of design resources to support route modification efforts.
2f.	Site Preparation	8	Negative variance versus baseline of 65% and negative variance versus 2011 Q4 PPR projections of 3%. This variance versus baseline is a result of a later than expected start date on ground disturbing construction activities for the network build-out. The negative variance versus 2011 Q4 PPR projections was a result of pending route modifications and procurement of back-up generator installation services. Con Net is projecting that its actual site preparation cost will come in at 60% of budget based on the transition of multiple sites from new construction to leased space pursuant to route modifications submitted and approved. Com Net projects completing 3 new construction sites by the end of the 3rd quarter of 2012 and finalizing the preparation work for occupied space at another 3 sites by the end of the 3rd quarter 2012 with the balance of the leased sites full prepared by the 4th quarter of 2012 with the remaining new construction site in Greenfield, Oh to be completed in the 2nd quarter of 2012. The progress reporting will fall short of 100% based on the measurement of liquidated expenses against budget.
2g.	Equipment Procurement	39	Negative variance versus baseline of 24% but a positive variance of 3% versus 2011 Q4 PPR projections. The positive variance was a result of positive efforts in securing contractual arrangements with Broadband service providers for connectivity to the Com Net GigEPAC backhaul network.
2h.	Network Build (all components - owned, leased, IRU, etc)	21	Negative variance versus baseline of 17% and a negative variance versus 2011 Q4 PPR projections of 3%. The negative variance versus 2011 Q4 projections were primarily due to invoice timing on construction activities completed. Favorable weather presented the opportunity to further advance the network build, but outstanding route modifications forced excess moves of crews that negatively impacted efforts to progress the build based on a favorable winter construction season.
2i.	Equipment Deployment	18	Negative variance versus baseline of 65% but a positive variance versus 2011 Q4 PPR projections of 3%, which can be directly correlated to the positive variance on equipment procurement.
2j.	Network Testing	67	Positive variance versus baseline of 1% and a negative variance versus 2011 Q4 PPR projections of 13%. In the 2011 Q4 PPR projections, Com Net was projecting a cost overrun for network testing/inspection. The negative variance versus projections is a result of Com Net cost control efforts on network testing/inspection. Com Net is still projecting a cost overrun on network testing and inspections, however not to the same degree as a result of cost control efforts. The overrun is still projected based on the network build-out status being significantly below baseline while network testing/inspection expenses are already in line with baseline expectations.
2k.	Other (please specify): Pre-Award Acceptance and Application	100	Project Management and Administrative Reporting of 67% versus 4th Quarter 2011 Performance Progress Report Projections of 64% and a baseline of 53%. The variance versus projection is a result of increased management efforts in securing right-of-way permits. Contractual Sales Solutions continue to perform favorably to budget expectations, as well as Community Anchor Institution Sales. The finalization of contractual agreements with Broadband Service Partners and Wholesalers showed significant progress during the quarter as these prospects were able to see visible construction progress in their areas of interest,. Operation Support System was at 18% for a positive variance versus 4th Quarter 2011 projections and a 82% negative variance versus baseline as Com

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			Net reviewed Service Level Agreement and upgraded its in-house VLAN monitoring system. Com Net continues to defer NISC iVUE plant and trouble module implementation, as well as a decision to defer mapping until the end of the project when records are transferred from route design firm to Com Net.

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).

Com Net continues to pursue a linear build-out schedule by progressing routes to the north and south of Lima, Ohio to facilitate active connections to Community Anchor Institutions as they are passed. Com Net has focused resources on follow-up activity with authorities having jurisdiction to secure permitted route mileage in a timely fashion. This effort has resulted in a significant volume of permitted mileage that can be released to construction allowing the deployment of a fourth plow train crew in June 2012. Com Net continues to work with the independent township, city, county and state permitting authorities in Ohio to resolve outstanding concerns. The challenge in the permitting process have been with the time involved to put in place the necessary arrangements with township, city and county authorities to ensure any damages to existing underground facilities that may not be visibly apparent for years are repaired. Com Net has been able to reach a reasonable resolution to such issues, however we need to accelerate our efforts and progress rate in this area.

The single largest challenge faced by Com Net during the quarter, outside of securing right-of-way permits and other approvals, was securing approval with NTIA on route modifications to avoid delays in the movement/relocation of construction crews. Following several iterations, Com Net was able to identify the critical content in order to submit a package for NTIA's consideration and eventual approval. Although this submission resulted in minor construction progress delays due to the movement and redeployment of crews in certain areas, a process was established that should avoid this delay from being re-encountered during the balance of the project.

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	212	212 miles of route construction with fiber placed and 2 miles of underground, innerduct only placement. This represents a 123 mile negative variance versus baseline that is driven by the later than expected start date that was used at the time of the development of the baseline. Com Net projects 342 new network miles to be deployed by the end of the 2nd quarter of 2012. Although this variance appears significant versus baseline, Com Net has made significant progress in closing the gap versus baseline given the fact that ground disturbing activities started 4.5-months behind projections used for purposes of the baseline. Com Net's biggest challenge in closing the gap to date has been in securing significant contiguous permitted route mileage to cost-effectively allow for the deployment of addition construction crews.
New network miles leased	1	Previously reported as 19. Mileage reduced to 1 based on adjustments made as a result of a project improvement plan (PIP) conducted at the end of 2011 to ensure reporting was consistent with baseline. The adjusted number represents a negative variance of 18.49 miles versus baseline. The PIP adjustment resulted in the 18 miles being reclassified under existing network miles leased for consistency in reporting versus baseline.
Existing network miles upgraded	232	Negative variance versus baseline of 955.9. This variance is a direct result of the 4.5 month delay in the commencement of ground disturbing activities versus baseline. Com Net has focused its efforts on the critical path issue of new route construction. In addition, the delay in ground disturbing activities on Com Net's and the other Ohio BTOP projects has

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
		resulted in its sub-recipient OARnet placing a priority on activities in northeast and southeast Ohio, delaying their planned upgrade of leased facilities between Lima, OH and Findlay, OH as well as between Lima, OH and Hillsdale, MI.
Existing network miles leased	362	Negative variance versus baseline of 825.9.
Number of miles of new fiber (aerial or underground)	212	Same as new network miles deployed.
Number of new wireless links	0	Not Applicable
Number of new towers	0	Not Applicable
Number of new and/or upgraded interconnection points	18	Negative variance versus baseline of 27. This negative variance along with those associated with existing network miles leased and upgraded is a result of a later than expected start date on the network build-out. The leased mileage will be implemented as fiber placement and equipment installation will support the activation of planned leased segments for activation/upgrade. The interconnection points will follow within a 30-day lag period.

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	23
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	22
Average term of signed agreements (in quarters)	40

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: Companies added in the 1st quarter of 2012 include Bascom Communications, BMTC, Wabash Communications, WMTC, SMATA, Vaughnsville, TSC, FMTC, KTEC, Glandorf TelCo, Defiance Holdings, SAA Bright.net, NKTelco, Buckland and WATCH Communications along with others as previously reported. Tier 2 Communications and Independents Fiber Network were eliminated in the reporting count as wholly owned affiliates of Com Net that should be treated as sub-recipients for reporting purposes.

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:

In an effort to refine and simplify Com Net's wholesale and enterprise MetroEthernet solution, Com Net has focused on three basic types of service including ELINE, ELAN and Dual Homed Satellite to Primary and Disaster Recovery Hub Sites. Com Net has defined these services along with a series of qualifying discounts that are determined on an individual case basis.

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).

Subrecipients ZAYO (400 Centennial Parkway, Suite 200, Louisville, CO 80027; 1.303.381.4683) and the Ohio Academic Resources Network (OARnet) (1224 Kinnear Road; Columbus, OH 43212; 614.292.9191) will be designated to operate a portion of the network on activation of designated spans for which the providers will be responsible for operating certain fibers. The specific portions of the network will be detailed on activation. To date, no such portions of the network are available for release to the sub-recipients' operations.

6. Please provide the data according to the type of subscriber. Write "0" in the Total column and "N/A" in the Narrative column if your project does not pass or serve a particular subscriber type. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (300 words or less).

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Broadband Wholesalers or Last Mile Providers	Providers with signed agreements receiving new access	2	Positive Variance to baseline. This is the network-to-network interface established with One Community in Worthington, Ohio, the network-to-network interface established with CISP in Toledo, Ohio and the ELAN service established with OARnet with 800 Mbps Port Connections established in Lima, OH and Worthington, OH.
	Providers with signed agreements receiving improved access	17	Positive Variance to baseline. The positive variance shows an incremental gain of 9 from the 4th Quarter of 2012 based on Buckland, Watch Communications and NKTelco receiving improved Dedicated Internet Access service; Level 3 receiving an improved transient IP Peers with the Com Net ASN; Bascom Communications, BMTc, Wabash Communications, WMTC, SMTA, Vaughnsville, FMTC, KTEC, Glandorf Telco, Defiance Holdings, SAA bright.net and TSC will all be receiving improved access on completion of the build-out obligations by Com Net.
	Providers with signed agreements receiving access to dark fiber	4	At this point, Com Net is only providing access to Dark Fiber for broadband wholesalers and last mile providers who agree to jointly serve a Community Anchor Institution. Com Net provided dark fiber access to Wabash Communications for improving service to the Parkway School District and to Northwest Net for improving service to the Crestview School District. Sub-recipient ZAY0 has reported signed agreement with two providers for dark fiber but to date Com Net has not received the customer names and/or verified the existence of the signed agreement therefore the numbers are not included in this report.
	Please identify the speed tiers that are available and the number of subscribers for each	3	Rate limited 10 Gbps and 1 Gbps port connectivity for network-to-network Interfaces; and 100 Mbps User Network Interface Port and Ethernet Transport Service as purchased wholesale by One Community.
Community Anchor Institutions (including Government institutions)	Total subscribers served	47	Previous PPR reported 39 with three of the reported unique subscriber sites being disallowed during the annual performance report review. OARnet-Lima, OARnet-Worthington and One Community Worthington were eliminated reducing the CAI count to 36. This reduction to 36 was offset with the addition of 11 new. This resulted in a positive variance of 13 to baseline.
	Subscribers receiving new access	4	The 2011 year-end adjustment resulted in a reductions in the number of subscribers receiving new access by one, which was offset through the addition of the Van Wert, OH Megasite.
	Subscribers receiving improved access	43	Incremental gain of 8 after 2011 year-end adjustments in allowable CAI counts.
	Please identify the speed tiers that are available and the number or subscribers for each	9	4 at 5 Mbps; 5 at 10 Mbps; 8 at 20 Mbps; 6 at 50 Mbps; 13 at 100 Mbps;1 at 200 Mbps; 1 at 500 Mbps; 1 at 800 Mbps and 5 at 1000 Mbps
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

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	NA

7. Please describe any special offerings you may provide (600 words or less).
Com Net has no special offerings to report this quarter

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

8b. If so, please describe the changes (300 words or less).
Com Net's management practices have not changed from the prior 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
Crestview School District	Convoy, OH	K-12	No	Improved existing point-to-point transport to the school's information technology center from wireless to fiber allowing for increased transport capacity
Parkway School District	Rockford, OH	K-12	No	Improved existing point-to-point transport to the school's information technology center from wireless to fiber allowing for increased transport capacity
Defiance Mercy Hospital	Defiance, OH	Healthcare	No	Improved existing connectivity between this hospital and the Mercy Hospitals in Toledo, OH and Oregon, OH respectively with 250 Mbps active connections today for an aggregate total of 500 Mbps with the ability to increase capacity to 2 Gbps without any changes in optronics or electronics and to 20Gbps with minor upgrades to optronics and electronics
Van Wert Hospital	Van Wert, OH	Healthcare	No	Placed Cyan DWDM/Packet Metro Ethernet equipped chassis in occupied space at the Northwest Net presence at the Van Wert Hospital with dual entry fiber. The Point-of-Presence at the Van Wert Hospital now has the ability to support 10Gbps dual entry service for an aggregate total of 20Gbps allowing Northwest Net to significantly increase its Dedicated Internet Access service port at this location as the broadband provider to the Van Wert Hospital
Findlay University	Findlay, OH	Higher Educations	No	Fiber facilities with access points occupying conduit facilities of the University of Findlay. Findlay University plans to connect to the facilities as a backup Dedicated Internet Access service at some point in the future and/or for a second connection to the OARnet network. Findlay University utilizes OARnet for its Dedicated Internet Access connection. A change in administration at the university has resulted in the connection not being activated to date.
Rhodes State College	Lima, OH	Higher Education	No	Infrastructure was placed at the border between road right-of-way and property of the college at two diverse locations. This was done to facilitate the construction of two diverse laterals to Rhodes State College and OSU Lima branch campus upon a secured commitment from one of the two entities. Rhodes State College utilizes OARnet for its Dedicated Internet Access Port and bandwidth today. The transport is furnished by Time Warner Cable under a term commitment based on Com Net's inability to

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
				meet the colleges timeline requirements for fiber connectivity
Van Wert Mega Site Industrial Park	Van Wert OH	Other	No	Access points to the fiber facilities were placed in the form of handholes at the boundary between road right-of-way and the state mega site for an industrial park. This was done to promote the industrial park to prospective occupants for economic development purposes.
Worth Center	Lima OH	Other	No	An access point to the fiber facilities was placed along the border between the Worth Center property and road right-of-way. Com Net contacted this Department of Corrections facility about upgrading its connectivity to the Internet and/or its state agency facilities. The Worth Center is currently connected to the Ohio Department of Corrections and Rehabilitation through a T1 circuit. The facilities are in place, however Com Net has been unable to secure a firm commitment for connectivity to the site to date.
Blanchard Valley Heath Association	Findlay, OH	Healthcare	No	Access Points were located in road right of way adjacent to the point of access to the property to facilitate connectivity. Com Net attempted to secure a firm commitment through a wholesale relationship with One Community to connect the site back to the Fremont clinic network. Com Net was unable to secure a firm commitment on service to the site for this purpose.
Hancock County Educational Service Center	Findlay, OH	Educational Other	No	Access Points were located in road right-of-way adjacent to the point of access to the property to facilitate connectivity. Com Net attempted to secure a firm commitment through a wholesale relationship with One Community to connect the site back to the its Information Technology Center in Lima, OH. Com Net was unable to secure a firm commitment on service to the site for this purpose based on the site being under a firm commitment until the 2016-2017 school year.
Ohio Public Library Information Network (OPLIN)	Columbus, OH	Libraries	No	Com Net was able to work with OARnet to establish connectivity to OPLIN at the Super Ohio Computer Center in Columbus, OH by way of the Point-of-Interconnection at the Rock Hill substation in Lima, OH and 535 Scherer's Court (DataCenter BZ) in Worthington, OH. This connection was put in place to allow Com Net and OARnet to provide the backhaul facilities in cooperation with Wabash Mutual Telephone Company for last mile facilities to connect the Fort Recovery Library to OPLIN

Project Indicators (Next Quarter)

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

Community Outreach:
 Com Net will expand outreach efforts to planned counties for construction in the upcoming 6 months, which will include Wood County, Lucas County, Shelby County, Miami County, Montgomery County and Clarke County. Com Net will be attending an upcoming BTOP workshop in the Washington DC area in May 2012. Com Net plans to provide Ohio representatives in congress with an update on the status of our project.

CAI Connections:
 Com Net will be conducting on-going follow-up with its originally identified Community Anchor Institutions in an effort to secure firm commitments for service. Com net will continue to pursue additional Community Anchor Institutions through a Broadband Service Partner, wholesaler and, when no such option exists, on a direct basis to secure commitments to utilize the Com Net backhaul facilities. Com Net plans to establish active service with a minimum of 7 new Community Anchor Institutions in the upcoming quarter with facilities placed with access points at the boundary between public right-of-way and the Community Anchor Institution property to a minimum of 4 additional Community Anchor Institutions.

Broadband Service Providers and Wholesale Agreements/Connectivity:
 Com Net plans to establish lit connectivity with a minimum of two additional Broadband Service Providers, with one Broadband Service Provider committed to receiving Com Net's IPTV signal and service suite, as well as Dedicated Internet Access through an Enhanced Ethernet Network-to-Network Interface (ENNI) port.

Site Preparation:
 Com Net plans to initiate site preparation for the placement of prefabricated huts on three new sites that will serve as Points-of-

Presence, one of which is dependent on approval of an outstanding route modification being processed by NTIA. Com Net, also, plans on initiating efforts to prepare space at two facilities where Com Net will be securing space to serve as Points-of-Presence on the Com Net backhaul network.

Equipment Procurement and Deployment:

Com Net plans to continue deployment of Cyan DWDM equipment at PoP sites throughout the second quarter and to light its third DWDM series of spans. OARnet plans on receiving shipment of electronics equipment and initiating deployment in the May to June time frame of the second quarter. ZAYO plans on progressing its management of the Toledo build through the network design and permitting phases.

Network Design and Permitting:

Com Net plans to focus on further progressing the finalization of all construction plans by the end of the 2nd Quarter of 2012 and accelerate permit applications in preparation for a very aggressive construction period from the Spring of 2012 thru the Fall of 2012. ZAYO plans on progressing its management of its metropolitan route in Toledo through the design and permitting phases.

Network Build-Out:

Com Net plans on completing splice and test work on a significant span of leased fiber facilities during the quarter in preparation for OARnet to equip the 2 fiber route from Lima, OH to Hillsdale, MI that it will be responsible for operating. Com Net, also, plans on completing splice and test work on a significant span of leased fiber facilities during the upcoming quarter in preparation for OARnet to equip the 2 fiber route from Lima, OH to Findlay, OH that it will be responsible for operating.

Administration:

Com Net plans on submitting a route modification to NTIA as part of its efforts to finalize firm design plans for the balance of the network build-out. Com Net also plans on completing follow-up tasks from its NTIA site visit, as well as other quarterly reporting activities.

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	40	Negative Variance to baseline of 28% Increase over prior quarter of 13%. Com Net projects construction progress to increase, however due to the lag in the invoicing and payment cycle, the liquidated run rate is projected to remain the same as 2012 Q1. The other factors driving the increase in the overall project progress involve the start of ground disturbing activities at two new construction point-of-presence (hut) sites and site preparation for occupancy at two new point-of-presence sites. In addition, Com Net is projecting an increase in the run rate for equipment procurement and equipment deployment through OARnet's planned receipt and partial deployment of equipment in the May-June 2012 time frame. ZAYO will be active with route design and permitting activities as it implements the ZAYO managed network build through Toledo following an acquired metro route. Com Net projects to be 64% by the end of the third quarter of 2012 and 78% complete by the end of the fourth quarter of 2012.
2b.	Environmental Assessment	100	Initial Environmental Assessment is complete. All future services will be for route modification, which will be recorded as a construction permit and other approval expense or a construction expense depending on point of origination of change order.
2c.	Network Design	79	Negative variance to baseline of 1%. Increase over prior quarter of 12%. See overall project narrative and planned activities for upcoming quarter.
2d.	Rights of Way	45	Negative variance to baseline of 33%. Increase over prior quarter of 6%. See overall project narrative and planned activities for upcoming quarter.
2e.	Construction Permits and Other Approvals	38	Negative variance to baseline of 46%. Increase over prior quarter of 4%. See overall project narrative and planned activities for upcoming quarter. Highly dependent on invoice timing and final negotiated charges for accessing City of Perrysburg conduit over the Maumee river.
2f.	Site Preparation	14	Negative variance to baseline of 74%. Increase over prior quarter of 5%. See overall project narrative and planned activities for upcoming quarter.
2g.	Equipment Procurement	59	Negative variance to baseline of 12%. Increase over prior quarter of 20%. See overall project narrative and planned activities for upcoming quarter.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2h.	Network Build (all components - owned, leased, IRU, etc.)	30	Negative variance to baseline of 25%. Increase over prior quarter of 9%. See overall project narrative and planned activities for upcoming quarter. Com Net projects to have placed 342 miles of fiber cable by the end of the 2nd Quarter of 2012.
2i.	Equipment Deployment	31	Negative variance to baseline of 57%. Increase over prior quarter of 13%. See overall project narrative and planned activities for upcoming quarter.
2j.	Network Testing	93	Positive variance to baseline of 23%. Increase over prior quarter of 33%. See overall project narrative and planned activities for upcoming quarter.
2k.	Other (please specify): Application and Pre-Acceptance Period	100	Project management and admin reporting at 76%. Contract Sales continue to progress toward baseline goals at a 55% projected completion rate. Operation Support Systems at 23%. Com Net projects it will have connected 58 Community Anchor Institutions and signed agreement with 26 wholesale/last mile providers.

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).

Com Net will be submitting additional Route Modifications that Com Net's project will be dependent on for a timely response.

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	\$186,863	\$75,013	\$111,850	\$433,892	\$117,344	\$316,548	\$489,000	\$132,248	\$356,752
b. Land, structures, right-of-ways, appraisals, etc.	\$1,497,801	\$542,165	\$955,636	\$267,984	\$66,569	\$201,415	\$301,687	\$74,941	\$226,746
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$1,536,325	\$368,718	\$1,167,607	\$877,450	\$210,588	\$666,862	\$1,165,410	\$279,698	\$885,712
e. Other architectural and engineering fees	\$282,530	\$84,759	\$197,771	\$215,001	\$58,363	\$156,638	\$278,757	\$75,670	\$203,087
f. Project inspection fees	\$130,000	\$31,200	\$98,800	\$123,828	\$29,718	\$94,109	\$166,589	\$39,981	\$126,608
g. Site work	\$205,600	\$61,680	\$143,920	\$4,040	\$1,212	\$2,828	\$31,272	\$9,382	\$21,890
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$30,306,281	\$7,831,123	\$22,475,158	\$6,200,772	\$1,722,127	\$4,478,646	\$9,030,631	\$2,508,057	\$6,522,574
j. Equipment	\$8,758,868	\$3,877,761	\$4,881,107	\$3,690,023	\$2,236,403	\$1,453,620	\$5,595,449	\$3,391,220	\$2,204,229
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$42,904,268	\$12,872,419	\$30,031,849	\$11,812,990	\$4,442,324	\$7,370,666	\$17,058,795	\$6,511,197	\$10,547,598
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$42,904,268	\$12,872,419	\$30,031,849	\$11,812,990	\$4,442,324	\$7,370,666	\$17,058,795	\$6,511,197	\$10,547,598

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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