





FEDERALLY FUNDED BROADBAND PROJECT

STATUS FACTS

November 29, 2012 Issue

Throughout the 3rd quarter of 2012, Com Net Incorporated (CNI) continued to work with carriers, wholesalers, resellers and directly with Community Anchor Institutions (CAIs) to identify service opportunities for connectivity prior to the project completion date of June 30, 2013. At the present time, Com Net is honoring CAI introductory period discounts for services installed on or before June 30, 2013. To view the GigEPAC coverage map and inquire about service to a location of interest, visit www.gigepac.com.

CNI met with city, state and county officials to secure necessary permits, pursued township road agreements, met with healthcare representatives to provide transport solutions between hospitals, medical clinics and practitioner offices. CNI met with the City of Dayton to demonstrate available services. CNI continued to meet with higher education, K-12 institutions, healthcare institutions and other CAIs.

CNI finalized the connectivity upgrade to one K-12 Institution, improved four K-12 Institutions' and one Education Service Center's service from a shared 1 Gbps to a dedicated 1 Gbps, delivered new service to one K-12 Institution who, previously, was not directly served by a broadband provider and provided new Ethernet service to connect a District Library back to Columbus. CNI continued to place access points with service loops in road R-O-W adjacent to CAI properties reducing lead time and expense once the CAI is ready to commit.

CNI conducted weekly project calls involving its route design and construction firms with expanded participation including vendors and sub-recipients every other week. CNI continues to meet with its Federal Program Officer (FPO) Team on bi-weekly conference calls. During these calls, CNI provides the FPO team with updates on construction progress, performance versus budget and other project updates. The other updates include reporting on areas in the network build-out where fiber availability is becoming constrained due to the number of fiber placed into service or reserved in association with outstanding commitments for connectivity with wholesalers, last mile providers and CAIs.





Design with permit applications were submitted on 580.5 route miles and 431.3 miles were completed through permitting and released for construction. CNI constructed three new PoPs and augmented an existing PoP. Items on the route change watch list involve route sections where field crews have expressed concerns over surface level rock in three areas. Construction - although behind the target build-out schedule due to outstanding aerial make readies, a higher percentage of bored plow operations, and delays with permitting authorities - remains on target for full completion by June 30, 2013. Additional crews are being added to meet timelines due to directional drilling being a slower process than plow or aerial installations.

CNI installed six chassis in preparation for turn-up and is upgrading and cutting into service city-pairs as diverse fiber routes are complete to avoid single points-of-failure and to ensure adequate facilities are in place to eliminate/minimize interruptions. CNI cut two city-pairs into service, and turn-up of additional city-pairs was deferred to the Q4 2012 to allow for completion of contiguous routes required to avoid single points-of-failure.

In the 4th Quarter of 2012 CNI plans

- to conduct on-going follow-up with its originally identified CAIs in an effort to secure firm commitments for service
- to pursue additional CAIs through a Broadband Service Partner, wholesaler and, when no such option exists, on a direct basis to secure commitments to utilize the CNI backhaul facilities
- to execute three additional agreements with Broadband Wholesalers and/or Last Mile Providers in order to reach identified CAIs
- to bring one augmented, unmanned and three new, unmanned PoPs into service during Q4 2012, as well as initiate site preparation at two leased sites
- to focus on the finalization of deployment through cut-over of city-pairs during the 4th quarter of 2012, deferring additional equipment purchase and installation until 2013
- to work with Authorities Having Jurisdiction to secure permits allowing the desired method of construction
- to contemplate route modifications to address permitting timelines and budget concerns
- to submit a second route modification request to NTIA as part of its efforts to finalize firm design plans for the balance of the network build-out
- to meet with State Senators and State Representatives to provide an update on the status of the project

You can, also, follow the CNI federally funded GigEPAC project through the awarding agency, National Telecommunications and Information Administration, Web page dedicated to our project at

http://www2.ntia.doc.gov/grantee/com-net-inc





Sincerely,

Timothy N. Berelsman, CEO

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