OMB CONTROL NUMBER: 0660-0037
EXPIRATION DATE: 12/31/2013

ANNUAL PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Award Identification Number	3. DUNS Number
Department of Commerce, National Telecommunications and Information Administration	NT10BIX5570074	153873930

4. Recipient Organization

Contact Network Inc. d/b/a InLine 600 Lakeshore Parkway, Birmingham, AL 35209-6361

5. Current Reporting Period End Date (MM/DD/YYYY)	6. Is this the last Annual Report of the Award Period?
12-31-2011	◯ Yes ◉ 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	7c. Telephone (area code, number and extension)
Michele Boner	2052788134
	7d. Email Address
Accounting Manager	mboner@inline.com

7b. Signature of Certifying Official	7e. Date Report Submitted (MM/DD/YYYY):
Submitted Electronically	04-03-2012

OVERALL PROJECT PERFORMANCE INDICATORS

1. Please provide the following average cost figures for your project. Please review the instructions to determine how to calculate these figures. Write "0" in the second column and "N/A" in the third column if your project does not yet have this information. Depending on whether your project contains Middle Mile and/or Last Mile components, some metrics may not apply. Please provide a narrative description if the total is different from the target provided in your baseline plan (600 words or less).

Cost Indicator	Average Cost / Speed	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Average cost per new mile (Middle Mile)	46,612	variance is due to higher fiber costs, higher than anticipated costs related to railroad crossing and aerial permits as well as up front expenditures that should level out ie: make ready costs for aerial, one time fees associated with permitting etc.)
Average cost per household passed (Last Mile)	0	N/A
Average cost per subscriber (Last Mile)	0	N/A
Maximum broadband speed advertised (Middle Mile)	1000Mbps	No Variance
Maximum broadband speed advertised (Last Mile)	0	N/A
Average broadband speed provided (Middle Mile)	970Mbps	Currently we have 32 subscribers receiving 1000Mbps and 1 subscriber receiving 10Mbps.
Average broadband speed provided (Last Mile)	0	N/A

2. Please provide each facility name and type, the county where the facility is located, and census tract information for any facilities funded by your project during this annual reporting period. Report only facilities for which construction has been completed.

Facility Identifier / Name	Facility Type	County	Census Tracts
N/A	N/A	N/A	N/A

Add Facility	Remove Facility

3. Please identify (1) the total number of interconnection, peering, and/or transit agreements entered into during this annual reporting period; (2) the total number of agreements of each type that you are currently negotiating; and (3) whether you have denied any request for interconnection and if so, why. If you have not entered into any agreements, please write "N/A."

Interconnection Agreements (600 words or less)

Contact Network Inc. did not enter into any interconnection, peering and/or transit agreements during this annual reporting period nor are we negotiation any at this time. Contact Network Inc. has not received any requests for interconnection.

Peering and Transit Agreements (600 words or less)

Contact Network Inc. did not enter into any interconnection, peering and/or transit agreements during this annual reporting period nor are we negotiation any at this time. Contact Network Inc. has not received any requests for interconnection.

CAPACITY, UTILIZATION, AND CAPABILITY INDICATORS

4. Community Anchor Institutions: In the chart below, please provide information on the types of community anchor institutions capable of receiving service (i.e., anchor institutions connected to your network plus those passed by your network) as a result of BTOP funds.

Type of Community Anchor Institution	Total Number Within Service Area	Type of Community Anchor Institution	Total Number Within Service Area
Schools (K-12)	162	Public Housing	0
Libraries	11	Other Institutions of Higher Education	0
Medical and Healthcare Providers	91	Other Community Support Organizations	21
Public Safety Entities	37	Other Government Facilities	57
Community Colleges	7	Total Community Anchor Institutions	386

5. Please indicate the average increase in broadband speed provided to the community anchor institution customers as a result of your project, including a description of how this increase was calculated (600 words or less).

The average increase in broadband speed provided to the community anchor institutions we are servicing is 968Mbps. This number was calculated based on the fact that all 33 of our current customers were receiving 1.5Mpbs before upgrading to our service. Thirty two of our current customers are receiving 1000Mbps and one is receiving 10Mbps.

6. What retail services are being provided by this project? Please describe below. (600 words or less). As an attachment to this report, please provide pricing plans (in $ per month) associated with each retail service. Retail services description:

Contact Network Inc will provide multiple service tiers across the network with access speeds ranging from 10 to 1000 MBps. Currently, the retail services offered include 10Mbps, 100Mbps and 1000Mbps Private Network Connectivity, 10Mbps and 100Mbps Fiber connection with internet access and a public safety only option for 100Mbps Fiber connection with separate VLAN's to other connected Anchor Institutions.

7a. What network management policies (e.g., bandwidth limitations, traffic prioritization) are in place for the services provided by your project? 7b. Have you ever limited or blocked consumers from accessing any lawful content, service, service provider, or application, or prevented any consumers from attaching any legal device to the network? If so, please explain why (300 words or less)?
We monitor network utilization throughout our network, as well as traffic to other autonomous networks on the public Internet. We use these metrics to determine if additional network resources are needed to provide our customers with effective Internet access. These metrics are not utilized in any way to filter or manipulate network traffic, nor are they used to prioritize services to customers based on type of traffic. During times of extremely high network traffic, application-neutral techniques may be utilized to ensure minimum advertised speeds to all clients. With the exception of blocking content, or sources of content that are harmful to the operation our network, or where a client contracts with us for a service that limits access to dangerous or undesirable content, we do not discriminate or prioritize one source or type of content over any others. Furthermore, we support and adhere to the principles contained in the FCC's August 2005 Broadband Policy Statement" (more often called the agency's Internet Policy Statement).

8. If applicable, please provide the total number and the percentage of subscribers who have dropped the broadband service provided through this project (total number of households and/or businesses and the "churn rate") and the subscribers' reasons for discontinuing their service (600 words or less).
No subscribers have dropped the broadband service provided through this project.

9. Please provide the following information regarding the number of fiber strand-miles:

Total Number of Strand-miles	Total Number of Active Fiber Strand-miles Used by Recipient	Total Number of Leased Fiber Strand-miles	Total Number of Dark Fiber Strand-miles	Total Number of Strand-miles Being Built		
				Active	Leased	Dark
66,680	120	3,877	6,552	12,313	22,994	20,824

10. If you wholesale dark fiber, please list your wholesale customers and the number of fiber miles you currently are leasing to those customers:
Currently we have one wholesale customer purchasing dark fiber, PEG Bandwidth. We are leasing 76.26 fiber miles or 3877 strand miles to PEG Bandwidth.

11. Please provide the following information regarding the facility collocation capacity:

Total Facility (total square feet for all facilities)	Number of Square Feet Used by Recipient	Number of Square Feet Leased	Number of Square Feet Available
1,035	260	0	775

12. If you do not own collocation space, please describe how and where other network providers and/or customers interconnect with your network (600 words or less).

In addition to the collocation space described in question eleven, Contact Network Inc. has designed our network in such a way that we will support additional splice points at either our Community Anchor Institutions (or other) end points, as well as in telecom hut facilities.

13. To the extent that you have made any subcontracts or sub grants, please provide the number of subcontracts or sub grants that have been made to socially and economically disadvantaged small business (SDB) concerns as defined by section 8(a) of the Small Business Act, 15 U.S.C. 647, as modified by NTIA's adoption of an alternative small business size standard for use in BTOP. Please also provide the names of these SDB entities (150 words or less).

We do not have any subcontracts or subgrants.

14. Please describe any best practices/lessons learned that can be shared with other similar BTOP projects (900 words or less).

No comment.

15. Using the Excel spreadsheet template titled "Annual PPR CCI Addendum", please provide an updated list of Community Anchor Institutions (CAIs) that you have connected and plan to connect to your network.

16. Using the Excel spreadsheet template titled "Annual PPR CCI Addendum", please provide a list of community pairs that are receiving new or improved broadband service as a result of BTOP grant funds.

17. Please provide up-to-date network route maps in a single file, in a Google Earth compatible format (e.g., KMZ file).