

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 NT10BIX5570076	3. DUNS Number 829946784
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4. Recipient Organization Vermont Telecommunications Authority One National Life Drive, Montpelier, VT 05602-3377

5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2011	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No
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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 Chris Campbell	7c. Telephone (area code, number and extension) 8028281799
	7d. Email Address ccampbell@telecomvt.org

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-31-2011
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Project Indicators (This Quarter)

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

Reviewed proposals received in response to Request For Proposal (RFP) for Professional Services Contract; Filed pole attachment applications; Participated in state-organized pole attachment coordination group; Entered conduit and pole license agreements; Obtained Environmental Assessment (EA) signoff from several agencies; Continued negotiations with Vermont Historic Preservation Office (VT SHPO) regarding programmatic agreement; Sub recipient agreement was signed; Sub recipient hired Project Manager & Project Engineer; Sub recipient hired Project Accountant to start in April; Continued network design to select optimal routes for Community Anchor Institution (CAI) interconnection; Continued to contact CAI's to discuss service options & confirm commitments to purchase services; Submitted proposals to significant groups of CAI's; Entered into service agreement with multi-location CAI project partner; Attended bi-monthly checkpoint conference calls with NTIA; Attended webinars on sub recipient monitoring, EA and Davis-Bacon Wage; preparation and submission of reports.

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	1	<p>As detailed below, much of the work scheduled for this quarter has been held up due to the delay in the release of the Finding of No Significant Impact (FONSI). However, we have made progress on pole surveying and mapping which is ongoing. At the time last quarter's projections were made, we anticipated that the FONSI would be issued in February, 2011 or soon after, however delays from the consultation and subsequent programmatic agreement with the Vermont SHPO have pushed the FONSI schedule out. It is anticipated that the FONSI and EA SAC requirements will be completed in May, 2011.</p> <p>Once the FONSI is issued, we estimate that at the end of the first quarter of 2012 we will reach the original target spend for the other milestones as the make ready begins on poles, network design is finalized, and the project moves into the construction phase.</p> <p>This level of activity will enable the project to meet the 67% time line after 8 quarters which was part of the original target spend rate.</p>
2b.	Environmental Assessment	27	Negotiating programmatic agreement with National Telecommunications and Information Administration (NTIA) and VT SHPO
2c.	Network Design	1	<p>The project design on which an engineering firm would work could have been impacted by changes to the project implemented to mitigate environmental impacts. As a result, Sovernet decided to dedicate the time of key staff to completing work on the EA and delay completing the engineering firm RFP process.</p> <p>SFC has selected an engineering firm who is very familiar with our project and has extensive experience with fiber build projects. After consulting with them, we feel confident that we can proceed quickly with network design and reach our original target spend rates by the end of the first quarter of 2012.</p>
2d.	Rights of Way	0	Project uses public rights of way

	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	15	Sovernet Fiber Corp (SFC) is prepared to move forward with approving pole attachment applications as soon as the FONSI is issued, and pole attachment agreements can be signed. Over 150 miles of poles representing over 20% of the poles in the project have been applied for and are awaiting issuance of the FONSI. We will continue to aggressively pursue additional pole applications once the FONSI is released.
2f.	Site Preparation	0	SFC is prepared to move forward with make ready work, as soon as the FONSI is issued. The make ready process will allow permitting work and final design to be completed on the rest of the project and to proceed to the construction phase.
2g.	Equipment Procurement	0	N/A
2h.	Network Build (all components - owned, leased, IRU, etc)	0	N/A
2i.	Equipment Deployment	0	N/A
2j.	Network Testing	0	N/A
2k.	Other (please specify):	0	N/A

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).

Award conditions prohibit start of build until Environmental Assessment (EA) is complete and Special Award Condition (SAC) 10 has been lifted. Overlap issue and pending completion of the EA have caused the project to be behind the baseline plan. Will proceed with design , make-ready and construction work once the the FONSI has been issued. Once the FONSI is issued, we estimate that at the end of the first quarter of 2012 we will reach the original target spend for the other milestones as the make ready begins on poles, network design is finalized, and the project moves into the construction phase. This level of activity will enable the project to meet the 67% time line after 8 quarters which was part of the original target spend rate.

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	N/A
New network miles leased	0	N/A
Existing network miles upgraded	0	N/A
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	0	N/A

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	N/A

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	0
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:
N/A

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:
The project is not yet providing services.

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).
Sovernet Fiber Corp, 5 Canal Street, Bellows Falls, VT 05101
Sub recipient
Sovernet will operate the entire network when completed

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	N/A
	Providers with signed agreements receiving improved access	0	N/A
	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	N/A
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	N/A

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number or subscribers for each	0	N/A
Residential / Households	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Businesses	Entities passed	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A

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

N/A

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

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

N/A

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
None at this time	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).

Obtain Finding of No Significant Impact (FONSI) and lifting of Special Award Condition #10 (Project-specific Vermont Overlap); Enter contract with vendor for Engineering professional services; Authorize utility pole owners to begin make-ready work; Continue make-

ready surveys and detailed routing; Settle on electronic locations, continue work on network architecture and configuration; Issue Request for Proposal (RFP) for cable, begin preparing RFP's for equipment and construction; implement fixed asset accounting module for project; Apply for State and Local land use permits to extent required. Continue ongoing discussions with CAI's; work with Regional Planning Commissions; continue discussions with last mile providers; publish first quarterly newsletter.

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	6	Once the FONSI has been received, make ready work will begin and the engineering professional services will ramp up to complete the network design and move the project to the construction phase. This ramp up will bring the project closer to the original target spend and will enable the project to meet the 67% timeline after 8 quarters. Much of the project expense will come from the fiber optic cable and construction costs which will ramp up after the FONSI is received and the project moves into the construction phase.
2b.	Environmental Assessment	100	Waiting for final approval from National Telecommunications and Information Administration (NTIA)
2c.	Network Design	19	The project design on which an engineering firm would work could have been impacted by changes to the project implemented to mitigate environmental impacts. As a result, Sovernet decided to dedicate the time of key staff to completing work on the EA and delay completing the engineering firm RFP process. SFC has selected an engineering firm who is very familiar with our project and has extensive experience with fiber build projects. After consulting with them, we feel confident that we can proceed quickly with network design and reach our original target spend rates by the end of the first quarter of 2012.
2d.	Rights of Way	0	Project uses public rights of way
2e.	Construction Permits and Other Approvals	40	SFC has made pole attachment license applications for over 5500 (20%) poles and pole surveys are ongoing. We will continue to pursue additional pole applications once the FONSI is released. SFC expect 30% of pole attachment license applications to be completed by June 2011.
2f.	Site Preparation	28	Previously delayed by overlap issue; working to resolve EA action items. The completion of pole make ready work was held up pending the lifting of the EA SAC, and we do not expect any pole make ready work to be completed by the end of June 2011.
2g.	Equipment Procurement	0	N/A
2h.	Network Build (all components - owned, leased, IRU, etc.)	0	N/A
2i.	Equipment Deployment	4	Expect to file colocation applications this quarter
2j.	Network Testing	0	N/A
2k.	Other (please specify): N/A	0	N/A

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).
 Pole owning utilities may need to increase staff or contractor resources to support necessary pace of pole surveys and make ready. Resolution of EA/FONSI will affect timing of spending.

RECIPIENT NAME:Vermont Telecommunications Authority

AWARD NUMBER: NT10BIX5570076

DATE: 05/31/2011

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

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	\$1,956,141	\$590,272	\$1,365,869	\$430,547	\$134,064	\$301,383	\$647,137	\$194,141	\$452,996
b. Land, structures, right-of-ways, appraisals, etc.	\$1,151,500	\$345,450	\$806,050	\$0	\$0	\$0	\$50,000	\$15,000	\$35,000
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$3,017,040	\$905,112	\$2,111,928	\$0	\$0	\$0	\$0	\$0	\$0
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$3,400,000	\$1,020,000	\$2,380,000	\$87,081	\$26,124	\$60,957	\$641,527	\$192,458	\$449,069
g. Site work	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$30,720,083	\$9,216,025	\$21,504,058	\$100,000	\$100,000	\$0	\$1,990,735	\$667,220	\$1,323,515
j. Equipment	\$7,522,996	\$2,584,499	\$4,938,497	\$0	\$0	\$0	\$0	\$0	\$0
k. Miscellaneous	\$410,000	\$123,000	\$287,000	\$0	\$0	\$0	\$35,000	\$10,500	\$24,500
l. SUBTOTAL (add a through k)	\$48,177,760	\$14,784,358	\$33,393,402	\$617,628	\$260,188	\$362,340	\$3,364,399	\$1,079,319	\$2,285,080
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$48,177,760	\$14,784,358	\$33,393,402	\$617,628	\$260,188	\$362,340	\$3,364,399	\$1,079,319	\$2,285,080

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