

RECIPIENT NAME: Toledo Telephone Company, Inc.

AWARD NUMBER: 53-43-B10595

DATE: 02/26/2013

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

### ANNUAL PERFORMANCE PROGRESS REPORT FOR SUSTAINABLE BROADBAND ADOPTION

#### General Information

<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b> Department of Commerce, National Telecommunications and Information Administration	<b>2. Award Identification Number</b> 53-43-B10595	<b>3. DUNS Number</b> 002799641
<b>4. Recipient Organization</b> Toledo Telephone Company, Inc. 183 Plomondon Road, Toledo, WA 98591-9709		
<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b> 12-31-2012	<b>6. Is this the last Annual Report of the Award Period?</b> <input type="radio"/> Yes <input checked="" type="radio"/> No	
<b>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.</b>		
<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Dale Merten  C.O.O.	<b>7c. Telephone (area code, number and extension)</b> 360-864-2044	
	<b>7d. Email Address</b> BTOP@toledotel.com	
<b>7b. Signature of Certifying Official</b> Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b> 02-26-2013	

PROJECT INDICATORS				
<p><b>1. Does your Sustainable Broadband Adoption (SBA) project foster a particular broadband technology or technologies? If so, please describe this technology (or technologies) (600 words or less).</b></p> <p>Our project promotes both DSL and WildBlue broadband connectivity. Each household will receive one well configured Dell or HP 15" laptop with 4gbs RAM, 250gb Hard Drive, USB Mouse, 100mb Ethernet and 54mb Wireless connections, 8x DVD Burner, HD Audio and Graphics, Integrated Web Cam, and Microsoft Office Home and Student Edition. Participants will receive up to 40 hours of hands-on classroom training ranging from very basic classes like "Introduction to Windows 7", and connecting and exploring the internet, to intermediate training on file sharing, printing, network connections, PC troubleshooting, to Advanced classes in Word, Excel, Powerpoint , on-line learning and job search skills. All students are instructed on the use of wireless and wireline connections, as well as the advantages and disadvantages of both.</p>				
<p><b>2a. Please list all of the broadband equipment and/or supplies you have purchased during the most recent calendar year using BTOP grant funds or other (matching) funds, including any customer premises equipment or end-user devices. If additional space is needed, please attach a list of equipment and/or supplies. Please also describe how the equipment and supplies have been deployed (100 words or less).</b></p>				
Manufacturer	Item	Unit Cost per Item	Number of Units	Narrative description of how the equipment and supplies were deployed
HP	Laptop Computer	553	250	This item is delivered and installed by Toledo Telephone technical staff for each household or business that completes the minimum training requirement.
WildBlue	Satellite Dish	252	57	This item is delivered and installed by Toledo Telephone technical staff for each household or business that completes the minimum training requirement.
WildBlue	Satellite Modem	189	57	This item is delivered and installed by Toledo Telephone technical staff for each household or business that completes the minimum training requirement.
BEC	DSL Modem	92	100	This item is delivered and installed by Toledo Telephone technical staff for each household or business that completes the minimum training requirement.
Various	Wireless Mouse	9	250	This item is delivered and installed by Toledo Telephone technical staff for each household or business that completes the minimum training requirement.
MicroSoft	Office Home & Student	279	250	This item is delivered and installed by Toledo Telephone technical staff for each household or business that completes the minimum training requirement.
<b>Totals</b>		1,374	964	
<input type="button" value="Add Equipment"/>		<input type="button" value="Remove Equipment"/>		
<p><b>2b. To the extent you distribute equipment/supplies to beneficiaries of your project, please describe the equipment/supplies you distribute, the quantities distributed, and the specific populations to whom the equipment/supplies are distributed (600 words or less).</b></p> <p>We provide DSL Modems, Dell or HP laptop computers, wireless mouse, MicroSoft Home Office to both Tribal and Non-Tribal households and businesses within our DSL service area. We provide WildBlue modems and satellite systems to Cowlitz and Chehalis Tribal Members who are outside of our DSL service area.</p> <p>During the year 2012, we distributed 250 HP Laptop Computers, 250 wireless mouse, 250 copies of MicroSoft Office Home &amp; Student, 132 DSL Modems, 57 complete WildBlue Satellite Systems and 57 wireless routers. The training facility was available for open lab access to practice skills learned during class and saw approximately 500 students use this opportunity.</p>				
<p><b>3. For SBA access and training provided with BTOP grant funds, please provide the information below. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent calendar year. For each type of training (other than open access), please count only the participants who completed the course.</b></p>				
Types of Access or Training	Number of People Targeted	Number of People Participating	Total Training Hours Offered	
Open Lab Access	600	500	0	
Multimedia	600	450	4,500	
Office Skills	600	450	6,500	
ESL	0	0	0	
GED	0	0	0	
College Preparatory Training	0	0	0	
Basic Internet and Computer Use	600	500	20,000	
Certified Training Programs	0	0	0	

Types of Access or Training	Number of People Targeted	Number of People Participating	Total Training Hours Offered
Other (please specify): None	0	0	0
<b>Total</b>	2,400	1,900	31,000

**4. Please describe key economic and social successes of your project during the past year, and why you believe the project is successful thus far (600 words or less).**

Since inception, we have 565 households and 12 businesses that are participating in our program. Our training classes have received high demand from both new students and those who return to learn more. Our participants come from all walks of life and age brackets. Our oldest participant is 87 and is delighted she can connect with family across the nation via email and Facebook. Each business is small, and with the help of internet access, they have been able to improve during tough economic times. Our broadband adoption rate within our DSL service area is now 80%.

**5. Please estimate the level of broadband adoption in the community(ies) and/or area(s) your project serves, explain your methodology for estimating the level of broadband adoption, and explain changes in the broadband adoption level, if any, since the project began.**

5a. Adoption Level (%):	Narrative description of level, methodology, and change from the level at project inception (600 words or less).
80	ledo Telephone is the primary broadband provider in the area, therefore we know our current subscription rate and can measure the increase in subscribers from this program. We are able to provide broadband to 100% of the business and households, yet only 50% currently subscribe to the service. Our cable plant facility records indicate each address / location where broadband is currently provisioned as well as where it is not. Based on survey's to Tribal Members outside of our DSL service area, the Cowlitz Tribe estimates less than 50% of Tribal members subscribe to broadband. We plan to survey our participants during and after training, and at the end of the program to determine sustained subscription rates.

**6. Please describe the two most common barriers to broadband adoption that you have experienced this year in connection with your project. What steps did you take to address them (600 words or less)?**

Initially, we found the two most common barriers are understanding how to use a computer (education) and the cost of the broadband subscription. However, our program offers training on the use of computers, software and the internet, plus access to broadband for two years, and a quality laptop computer at no cost to the participant which eliminates both issues. Today we find the biggest barrier is relevance. We have learned that until someone sees a need for broadband, they will not adopt it regardless of cost, access to training, or any other way that we can make it easy or affordable.

**7. 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 have arranged with the Cowlitz Indian Tribe to provide teachers to train participating students.

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

Make sure you talk with local newspapers and television stations. Take the time to really discuss the details. We received hundreds of applications because the local newspapers printed stories regarding our grant and included specifics about who may qualify, where to call, hours of operation etc. All of these applications required no marketing effort, or expense. Community Centers and food banks are excellent places to do community outreach. Many of the people who utilize these programs have no access to computers or the internet. Door to door marketing is also very important. Many people without broadband access will never know your program exists if you don't knock on their door. Direct mailers do almost nothing to gain interest and are very costly. Avoid direct mail altogether.