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	NT10BIX5570035	003428208

4. Recipient Organization

Hardy Telecommunications, Inc. 2255 Kimseys Run RD, Lost River, WV 26810-8317

5. Current Reporting Period End Date (MM/DD/YYYY)	**6. Is this the last Annual Report of the Award Period?**
12-31-2012	⦿ **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)**
Sherry McCuller	8286759290
	7d. Email Address
Managing Director	peregrine@hughes.net

7b. Signature of Certifying Official	**7e. Date Report Submitted (MM/DD/YYYY):**
Submitted Electronically	02-14-2013

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)	19734.95	(43.3%) Variance is due to basis in calculation of Basedline Indicator compared to APR-2012. Baseline indicator calculated based on total project costs including equipment, professional services, and operational support systems. APR-2012 indicator based on labor and materials costs of new middle mile network deployed.
Average cost per household passed (Last Mile)	0	Middle Mile
Average cost per subscriber (Last Mile)	0	Middle Mile
Maximum broadband speed advertised (Middle Mile)	10 Gbps	Baseline Plan Indicator = 1 Gbps. Speed Tiers offered to CAIs range include 5Mbps/2Mbps, 15Mbps/7Mbps, 25Mbps/10Mbps, and other increments up to 1 Gbps bidrectional service. Wholesale service is offered from 1Gbps to 10Gbps.
Maximum broadband speed advertised (Last Mile)	0	Middle Mile
Average broadband speed provided (Middle Mile)	18 Mbps / 8 Mbps	Average broadband speed provided to CAIs 18 Mbps upstream /8 Mbps downstream
Average broadband speed provided (Last Mile)	0	Middle Mile

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
None	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)

No Interconnection requests received or denied.

Peering and Transit Agreements (600 words or less)

No peering agreements requested to date. 155-Mbps wholesale transport service was requested and is being provided to a wholesale interexchange carrier for connection to the carrier's cellular customer site.   Higher capacity can improved cellular coverage in the area. No additional transport agreements have been requested to date.

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)	7	**Public Housing**	0
Libraries	0	**Other Institutions of Higher Education**	0
Medical and Healthcare Providers	11	**Other Community Support Organizations**	8
Public Safety Entities	9	**Other Government Facilities**	28
Community Colleges	0	**Total Community Anchor Institutions**	63

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).

Prior to BTOP deployment of broadband infrastructure many CAIs in Hardy County could not obtain affordable or reliable broadband service. The available connection speed for many CAIs was 1.544 Mbps upstream and downstream, or T1 transmission service. In addition the existing upstream network was not diverse or redundant, and frequent outages were experienced.   Hardy AnchorRing service is now available at speeds up to 1 Gbps, and the network is diverse and redundant. 18 Mbps is the average downstream service speed now being provided, with 8 Mbps upstream.   This represents an average increase in bandwidth of 16.5 Mbps downstream and 6.5 Mbps upstream, or an average increase of 1066% and 418% respectfully. Hardy began serving Hardy County Scho2ols and three cellular towers prior to award of BTOP funding, but was unable to provide for diversity and redundancy. These sites have now been connected to Hardy AnchorRing and can now obtain up to 1 Gbps of affordable and reliable service.

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:

Hardy AnchorRing is a Middle Mile network. Hardy Telecommunications was also awarded a Broadband Initiatives Program loan/ grant award from the Rural Utilities Service of the U.S. Department of Agriculture to deploy Hardy OneNet. Hardy OneNet. which began construction in 2011, is a Fiber-to-the-Premise Last Mile network serving underserved areas of Hardy County. Hardy OneNet leverages the BTOP Middle Mile Backbone Ring and upstream connection to the Global Internet to lower costs and speed deployment to homes and businesses, especially small businesses.

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)?
Hardy Telecommunications does not limit or block consumers from accessing any lawful content, service, service provider or application, or prevent any consumers from attaching any legal devices to the network.   Network management practices are posted on Hardy's website at: http://www.hardynet.net/wp-content/uploads/2012/09/ HardyNet_Network_Management_Policies_Disclosure_11-11_Ver._2.pdf

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 Hardy AnchorRing service.

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**
14,701	2,821	0	11,880	0	0	0

10. If you wholesale dark fiber, please list your wholesale customers and the number of fiber miles you currently are leasing to those customers:
No wholesale fiber leases at this time.

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
0	0	0	0

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).

Customers may connect with Hardy AnchorRing at Hardy Telecommunications' central offices.

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).

No contracts have been awarded to socially and economically disadvantaged small business concerns within the performance period. Hardy Telecommunications encourages qualified local small businesses of all types, including small disadvantaged, women-owned, veteran-owned, and service disabled veteran-owned small businesses to respond to requests for proposals for construction and installation services in order to create more jobs within the local area. Hardy instructs contractors to be proactive in subcontracting to small local businesses and hiring qualified local employees.

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

Early communication of issues or questions to the Federal Program Officer and Grants Management Officer is key. Hardy's Program and Grants Management Officers have been proactive and responsive in tracking down information and following up. NTIA's web-based guidance sessions and drop-in calls have been very helpful to Hardy's project team. Networking with other BTOP recipients at events hosted by NTIA and other public and nonprofit institutions has been valuable to Hardy and its project team as a way to learn about progress of other projects, delays and suggestions for avoidance or mitigation, news of emerging opportunities or risks, and potential opportunities for interconnection and collaboration.

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).