

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 NT10BIX5570065	3. DUNS Number 046251963
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4. Recipient Organization Buggs Island Telephone Cooperative 100 Nellie Jones Road , Bracey, VA 23919-1732
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5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2013	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 Michele Taylor	7c. Telephone (area code, number and extension) 434-689-6300 X
	7d. Email Address mtaylor@bitbroadband.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-21-2013
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Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 During the quarter, NTIA lifted BIT's suspension on September 5, 2013 having approved BIT's July 26, 2013 Revised Broadband Plan, which called for transitioning to LTE wireless technology and reducing the geographic scope of BIT's project from three cellular market areas (CMAs) to one CMA. In accord with its Revised Plan, BIT continued its efforts to select an LTE vendor, to decommission unneeded towers, to terminate unnecessary tower contracts, and to sell excess equipment. NTIA extended BIT's BTOP grant to September 30, 2014 to enable it to complete its Revised Broadband Plan. BIT finalized and signed a purchase agreement to sell the two CMAs eliminated as a result of BIT's reduced scope and an application for FCC approval of the transaction is pending.

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	84	As stated above, the deployment of LTE is projected to begin in Q4-2013. The project completion date was extended to 9/30/14 to provide the time needed to dismantle WiMAX equipment on 24 tower sites and to deploy the new LTE equipment on 10 tower sites. Costs to date reflect actual expenses incurred in constructing the WiMAX 700 MHz and 3.65 GHz networks and the new LTE network.
2b.	Environmental Assessment	100	BIT submitted data to the environmental review team to determine whether an environmental review is required for BIT's Revised Plan.
2c.	Network Design	81	The 700 MHz network is being re-designed due to issues encountered with the initial build-out. The remaining funds will be used to design the LTE build-out in the 5-county service area.
2d.	Rights of Way	0	Not Applicable
2e.	Construction Permits and Other Approvals	99	Additional permits will need to be obtained for the installation of LTE equipment.
2f.	Site Preparation	100	No additional costs are expected in this category.
2g.	Equipment Procurement	90	Funds remaining in this category will be utilized to cover expenses associated with the procurement of an LTE system on 10 towers that cover a 5-county serving area.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	Not Applicable
2i.	Equipment Deployment	88	The remaining funds available in this category will be used to purchase and install LTE equipment on 10 tower sites that cover a 5-county service area.
2j.	Network Testing	70	Additional costs are expected in this category to cover expenses associated with the LTE testing once deployed.
2k.	Other (please specify): Admin/Legal/Tower Backhaul/Tower Lease/Engineering Management	47	The budget items included in this category are: 1) Admin and Legal, 2) Engineering-Project Management, 3) Project Inspection, 4) Monthly Tower Lease Payments and Settlements, and 5) Monthly Backhaul Fees.

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).
 BIT and BIT's legal counsel conducted thorough reviews of the new LTE vendor contracts. BIT requested and negotiated revisions to the contracts which affected the progress of executing, hence, somewhat delaying the project schedule.

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	23	The 23 miles includes microwave links between Lawrenceville to South Brunswick and Jetersville to Earls.
New network miles leased	0	Not Applicable
Existing network miles upgraded	0	Not Applicable
Existing network miles leased	0	Not Applicable
Number of miles of new fiber (aerial or underground)	0	Not Applicable
Number of new wireless links	2	Includes links as listed above in the network miles description.
Number of new towers	0	BIT's plan to deploy LTE technology on 10 towers by 9/30/2014.
Number of new and/or upgraded interconnection points	0	Not Applicable

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: To date BIT has zero signed agreements. Working to deploy the network is the highest priority for BIT and since the project is reduced in it's geographic coverage area to 5 counties, BIT plans to be the provider for those counties. Of course, if a wholesale provider approaches BIT with interest in becoming a wholesale provider, BIT will certainly look in to that prospect to determine if that would be a better business decision.

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: BIT provides no wholesale services and plans to discontinue WiMAX retail services when LTE service is available.

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 this third party operates (600 words or less). BIT has no third party agreements at this time.

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	None
	Providers with signed agreements receiving improved access	0	None

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Providers with signed agreements receiving access to dark fiber	0	Not Applicable
	Please identify the speed tiers that are available and the number of subscribers for each	0	None
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	BIT has projected to serve 10 CAIs by the end of 9/30/2014.
	Subscribers receiving new access	0	None
	Subscribers receiving improved access	0	None
	Please identify the speed tiers that are available and the number or subscribers for each	0	None
Residential / Households	Entities passed	0	BIT has projected to have the potential to serve 35,345 households included in the 5 county serving area.
	Total subscribers served	76	BIT has projected to serve 1,368 residential households by the end of 9/30/2014. To date BIT has 76 users who will be transitioned to LTE when available.
	Subscribers receiving new access	0	None
	Subscribers receiving improved access	0	None
	Please identify the speed tiers that are available and the number of subscribers for each	0	None
Businesses	Entities passed	0	BIT has projected to have the potential to serve 1,828 businesses included in the 5 county serving area.
	Total subscribers served	7	BIT has projected to serve 232 businesses by the end 9/30/2014. To date BIT has 7 users who will be transitioned to LTE when available.
	Subscribers receiving new access	0	None
	Subscribers receiving improved access	0	None
	Please identify the speed tiers that are available and the number of subscribers for each	0	None

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

Buggs Island Telephone Cooperative will be offering discounted business rates to Community Anchor Institutions. BIT will also offer broadband services to community parks in exchange for advertising BIT's services.

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

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

No changes to report

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)	Type of Anchor Institution (as)	Are you also the broadband	Narrative description of how anchor institutions are using BTOP-funded infrastructure

	or county)	defined in your baseline)	service provider for this institution? (Yes / No)	
None	None	None	None	None

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 1) Execute a contract with the recently selected LTE vendor and place the equipment order; 2) Continue negotiations with tower companies in an effort to release monthly payment obligations on towers no longer needed for the project; 3) Remove WiMAX equipment from the towers and competitively sell to interested vendor(s); and 4) Initiate the installation of LTE equipment in the NTIA approved 5-county area.

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	86	LTE contracts will be signed with vendors and the equipment order will be placed. The deployment of LTE equipment is projected to begin in Q1 2014 and will not be commercially launched until Q2 or Q3 2014. Decommissioning the WiMAX equipment from the terminated 24 tower sites continue and will be completed in Q4 2013. WiMAX equipment will continue to be put on the market for sale by the consignment company.
2b.	Environmental Assessment	100	The Environmental Assessment is complete.
2c.	Network Design	81	The remaining funds will be used to design the LTE build-out in the 5-county service area.
2d.	Rights of Way	0	Not Applicable
2e.	Construction Permits and Other Approvals	99	Additional permits will need to be obtained for the installation of LTE equipment.
2f.	Site Preparation	100	No additional site work is anticipated for this project.
2g.	Equipment Procurement	98	The percentage increased due to the costs associated with procuring an LTE equipment vendor.
2h.	Network Build (all components - owned, leased, IRU, etc.)	0	Not Applicable
2i.	Equipment Deployment	89	Costs for LTE equipment is expected to occur in Q4-2013, thus the slight increase in percent complete.
2j.	Network Testing	70	Additional costs are expected in this category to cover expenses associated with LTE testing once deployed. Testing should begin in Q2 2014.
2k.	Other (please specify): Legal/Admin/ Tower Backhaul/ Tower Lease/ Engineering Management	58	Next quarter costs include the removal of WiMAX equipment, legal fees associated with contract reviews, ongoing monthly backhaul & lease fees, and general administrative and engineering activities.

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).
 Challenges include negotiating with the previous WiMAX vendor and tower lease companies, as many of the original tower sites identified are no longer needed for the LTE deployment.

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	\$267,558	\$17,558	\$250,000	\$417,590	\$32,220	\$385,370	\$427,590	\$16,813	\$410,777
b. Land, structures, right-of-ways, appraisals, etc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$591,877	\$146,581	\$445,296	\$881,846	\$261,360	\$620,486	\$890,836	\$270,350	\$620,486
e. Other architectural and engineering fees	\$361,435	\$361,435	\$0	\$152,144	\$123,289	\$28,855	\$152,144	\$123,289	\$28,855
f. Project inspection fees	\$142,800	\$0	\$142,800	\$76,695	\$38,500	\$38,195	\$76,695	\$38,500	\$38,195
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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$22,003,511	\$3,864,959	\$18,138,552	\$18,194,234	\$3,762,316	\$14,431,918	\$18,534,235	\$3,832,316	\$14,701,919
k. Miscellaneous	\$591,516	\$584,516	\$7,000	\$340,181	\$0	\$340,181	\$421,181	\$0	\$421,181
l. SUBTOTAL (add a through k)	\$23,958,697	\$4,975,049	\$18,983,648	\$20,062,690	\$4,217,685	\$15,845,005	\$20,502,681	\$4,281,268	\$16,221,413
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$23,958,697	\$4,975,049	\$18,983,648	\$20,062,690	\$4,217,685	\$15,845,005	\$20,502,681	\$4,281,268	\$16,221,413

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: \$5,804
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