

ANNUAL 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 NT10BIX5570068	3. DUNS Number 003866597
4. Recipient Organization Valley Telephone Cooperative, Inc. 480 South 6th Street, Raymondville, TX 78580-2434		
5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2013	6. Is this the last Annual Report of the Award Period? <input checked="" type="radio"/> Yes <input type="radio"/> 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 Leonard Beurer	7c. Telephone (area code, number and extension) 9566421108	7d. Email Address leonard.beurer@vtx1.net
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 04-01-2014	

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)	64475	Construction costs of \$12,894,941 / 200 new miles constructed = \$64,475 per mile. Baseline projections were for approximately \$94,853 per mile.
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)	10 Gbps	As per baseline plan.
Maximum broadband speed advertised (Last Mile)	0	N/A
Average broadband speed provided (Middle Mile)	0	All participant CAIs have been connected. However, they have been provided with dark fiber drops, as per the baseline plan. As none of the participant CAIs have currently installed equipment to utilize the dark fiber at this time, we cannot calculate an average speed.
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
Brownsville POP	Point of Presence	Cameron	48061
Edinburg POP	Point of Presence	Hidalgo	48215
Weslaco POP	Point of Presence	Hidalgo	48215

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)

- 1) One (1) interconnection agreement was established during this reporting period.
- 2) We are currently negotiating one (1) interconnection agreement.
- 3) We have not declined any requests for interconnection.

Peering and Transit Agreements (600 words or less)

- 1) Five (5) transit agreements were established during this reporting period encompassing seven (7) entities.

2) We are in the process of hiring staff to market and negotiate new transit agreements on this network.

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)	12	Public Housing	0
Libraries	2	Other Institutions of Higher Education	22
Medical and Healthcare Providers	27	Other Community Support Organizations	84
Public Safety Entities	3	Other Government Facilities	10
Community Colleges	5	Total Community Anchor Institutions	165

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).

All of the current CAIs are dark fiber recipients that have not yet connected equipment to their fibers. It is, therefore, not possible to calculate a figure for increased bandwidth speed at this time.

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:

We will be offering transport, Internet access, and/or collocation services. The transport service includes point-to-point (a.k.a.; A-to-Z) connectivity with a selection of bandwidth options. Internet access adds connectivity through our Internet gateway; and is also available in a selection of bandwidth options. (Speed and price tiers attached)

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)?

7a) We will utilize our current management policies across this network. Bandwidth limitations are determined by contracted service tiers and traffic prioritization is only done for quality of service (QoS) purposes.

7b) We do not block or censor our connections.

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).

N/A

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
50,318	93	0	50,225	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:

We do offer dark fiber access as a service, but currently do not have any commercial subscribers leasing this option. We have provided dark fiber to participant CAIs without a lease fee as a condition of the grant award. (So, technically, they are not being leased.) Those institutions are: South Texas College (20 fibers), University of Texas Pan American (20 fibers), Texas State Technical College (20 fibers), Texas Southmost College (10 fibers), University of Texas Brownsville (10 fibers), and University of Texas Health Science Center (20 fibers). All together, these entities account for 100 fiber strands throughout this network; or approximately 50% of all strand-miles deployed.

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
4,800	840	0	3,960

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**).**

N/A
(We own the collocation space.)

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**).**

N/A

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

- 1) Obtain approval from NEPA to perform engineering at the same time as the Phase 1 Environmental Assessment. This can solve a lot of potential problems that may be encountered later, e.g., EA route is acceptable, but city will not allow permits to build the route along the proposed or approved EA route.
- 2) The Federal Program Officers are an invaluable resource when trying to learn the, sometimes confusing, reporting requirements of federal grants. Engaging them early on when difficulties arise can save a lot of time.
- 3) Do not pass up the opportunity to attend the many webinars that are offered. Many times, the topic discussed presents solutions to problems that several recipients are experiencing.

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).**