

**QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS**

**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>  NT10BIX5570076	<b>3. DUNS Number</b>  829946784
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<b>4. Recipient Organization</b>  Vermont Telecommunications Authority One National Life Drive, Montpelier, VT 05602-3377
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<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  06-30-2013	<b>6. Is this the last Report of the Award Period?</b>  <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.

<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Erik Amalixsen  Project Manager	<b>7c. Telephone (area code, number and extension)</b>  8028281795
	<b>7d. Email Address</b>  eamalixsen@telecomvt.org

<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  07-30-2013
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**Project Indicators (This Quarter)**

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

a. Pole make-ready work is nearing completion. As of June 30, SFC had obtained licenses for 93% of poles – up from 87% as of March 31. SFC’s right-of-way contractor continued to research easements, obtain landowner consents, secure rail crossing and municipal highway work permits.

b. During the quarter, approximately 221 route miles of fiber were placed, bringing the total as of June 30 to 627 miles. There have been 96 route miles released for construction, leaving approximately 63 route miles pending receipt of permits and licenses before release to construction.

c. Construction of laterals and entrances to CAI’s continue, with the completion of 187 CAI entrances, 71 of those locations now ready to serve, and the remainder in process of splicing, testing and set-up.

d. The majority of IP router equipment has been installed. Portions of Phase 2 packet optical equipment were installed and turned up during the quarter. Phase 3 equipment was ordered.

e. VTA, SFC and NHOS staff continued to brief and consult NTIA staff weekly, and to prepare and submit required reports.

f. Work on the route identified in AAR#5 with NHOS has the following status: All make ready was completed, paid and most engineering was completed. A majority (60%) of the pole licenses have been received. Permit requests have been submitted for the two (2) railroad crossings along the network route and is expected to be received in mid July.

**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	73	By the end of this reporting quarter, 627 miles of fiber had been placed. Overall spending during the quarter totaled \$3.1 million, as compared to \$9.2 million projected in the previous PPR, with a total of \$34.2 million spent to date. The primary factors for this difference were: delivery of a dark fiber IRU into 3Q2013, postponement of electronics orders in line with core transport route completion and related equipment installation charges.
2b.	Environmental Assessment	49	Spending through the end of the quarter was in line with the 49% projected in the previous PPR. Additional expenses may be incurred as necessary if required for archeological site assessments.
2c.	Network Design	98	Engineering firms will continue to assist SFC with network design and overall project management. Route surveys for the entire project are substantially complete. Most design work during the quarter will focus on service location entrance facilities.  AAR#5: Network design is 100% complete
2d.	Rights of Way	0	N/A. Expenditures for rights of way are budgeted under Network Design, consistent with NTIA project accounting guidance. However, SFC’s right of way contractor will continue during the quarter to obtain easements or other consents where required.
2e.	Construction Permits and Other Approvals	100	VFC: Expenses in this category were principally application fees for make-ready surveys, all of which have been undertaken other than for potential, minor design changes. In addition, various permits were submitted and obtained during the quarter for railroad crossings, interstate highway crossings, and for work along municipal and state roadways. Expenditures exceeded the amount originally estimated.  AAR#5: All applications have been submitted and 60% of the aerial pole licenses have been received. Awaiting receipt of 2 RR permits.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2f.	Site Preparation	71	<p>Expenses in this category are principally for make-ready work by pole owners and third party attachees. Cumulative expenditures in this category increased from 70% to 71% of budget during the quarter, as compared to 77% projected in the previous PPR. Make-ready work has been authorized for substantially all poles encompassed by the project. Licenses have been obtained for 21,810 (94%) of the 23,170 pole attachments applied for.</p> <p>AAR#5: All utility (power/telco) make ready is complete. Awaiting receipt of pole licenses.</p>
2g.	Equipment Procurement	99	<p>The majority of IP router equipment has been installed. Portions of Phase 2 packet optical DWDM equipment were installed and turned up during the quarter. Phase 3 DWDM equipment was ordered.</p> <p>AAR#5: All materials have been ordered and due mid July</p>
2h.	Network Build (all components - owned, leased, IRU, etc)	60	<p>VFC: This quarter 221 route miles of fiber were placed, total of 627 on June 30. 96 route miles have been released for construction, 63 route miles pending receipt of permits and licenses.</p> <p>Construction of entrances to 187 CAI's has been completed, 64 locations became "ready to serve" this quarter with a total of 71 sites ready to serve in the project.</p> <p>AAR#5: Network build planned to commence on 8/5 to be complete 9/9</p>
2i.	Equipment Deployment	77	<p>The primary activity in this category is preparation of conditioned collocation space. All collocation space has been fully prepared.</p>
2j.	Network Testing	50	<p>Although no budgeted expenses fall within this reporting category, a baseline projection for Network Testing has been made to reflect anticipated fiber testing and network verification. Network testing will follow completion of network segments. The near-term emphasis is on testing strands that enable service to CAI's.</p>
2k.	Other (please specify): NA	100	<p>Administration of the project is ongoing.</p>

**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).**

NTIA approval during 1Q2013 for route revisions and CAI changes, cleared the way for a productive quarter of outside plant construction, with 221 route miles (roughly a quarter of the project's total) of fiber placed. Nonetheless, as in prior quarters, construction was constrained while pole attachment licenses and permits such as for rail and river crossings, street excavation, land use were obtained. The list of remaining permits is rapidly diminishing. Coordinating building access with over 300 CAI's and other service location owners for design and construction has also restrained the pace at which CAI's can be connected. Staff resources have been supplemented in order to schedule and expedite the site access. NTIA and FCC advocacy for widespread adoption of ultra-high speed connectivity by community anchor institutions has motivated CAI's to collaborate with SFC on implementation.

**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	627	The difference between actual and baseline deployment is principally the result of matters reported in previous PPR's regarding resolution of funded project overlap, environmental assessment preceding, and construction resources diverted to address regional recovery from tropical storms.
New network miles leased	0	SFC is in negotiations to procure rights to the 17 mile network segment that was included in the baseline plan.

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Existing network miles upgraded	0	N/A
Existing network miles leased	155	A master service agreement and purchase order have been entered for a dark fiber IRU. Sovernet will accept and light the strands during 3Q2013.
Number of miles of new fiber (aerial or underground)	644	The original baseline plan called for completion of 790 miles of new fiber by June 30. The variance form the baseline are stated in "New network miles deployed" above.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	9	The baseline plan has 17 interconnection points after AAR approval with some variance based on permitting to access remote tower locations. The remaining points will be activated as construction is completed along related network segments.

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	6
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	2
Average term of signed agreements (in quarters)	16

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:

Cloud Alliance  
Educational Networks of America, Inc.  
Duncan Cable  
Southern Vermont Broadband Cooperative  
Vanu Coverage Co.  
WaveComm

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:

SFC portion of the project: GigE WAN Transport, and Direct Internet Access.  
AAR# portion of the project: Dark Fiber

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).

Sovernet Fiber Corp., 5 Canal Street, Bellows Falls, VT 05101  
Subrecipient Sovernet will operate the Vermont FiberConnect network when completed, except for the portion defined in AAR#5, which will be operated in part by: New Hampshire Optical Systems, 99 Pine Hill Rd, Nashua, NH, 03063

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	1	No variance from baseline plan.
	Providers with signed agreements receiving improved access	2	No variance from baseline plan.

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	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	3	Speed tiers are customized to to need of individual need of broadband wholesaler or last mile provider, and can be as much as 100 Gbps.
Community Anchor Institutions (including Government institutions)	Total subscribers served	71	The level of CAI's served is lower than baseline due to overall make-ready and outside plant being less complete than originally projected.
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	71	The level of CAI's served is lower than baseline due to overall make-ready and outside plant being less complete than originally projected.
	Please identify the speed tiers that are available and the number or subscribers for each	2	Speed tiers are customized to individual customer need, and can be as much as 10 Gbps. CAI's currently using VFC services are utilizing GigE WAN and Direct Internet Access services.
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	Narrative description of how anchor institutions are using BTOP-funded infrastructure

			institution? (Yes / No)	
Hartford Memorial Middle School	Hartford, VT	K12	Yes	Much-increased internet connectivity speed to support education curriculum and administration.
Brattleboro Area Middle School, UHSD #6	Brattleboro, VT	K12	Yes	Much-increased internet connectivity speed to support education curriculum and administration.
State of Vermont, Dept of Financial Review	Montpelier, VT	Other Govt	No	Improved connection to state government Wide Area Network
State of Vermont, Dept of Motor Vehicles	Montpelier, VT	Other Govt	No	Improved connection to state government Wide Area Network
Green Street School	Brattleboro, VT	K12	No	Much-increased internet connectivity speed to support education curriculum and administration.
State of Vermont, Dept of Motor Vehicles	Rutland, VT	Other Govt	No	Improved connection to state government Wide Area Network
Brattleboro Academy	Brattleboro, VT	K12	No	Much-increased internet connectivity speed to support education curriculum and administration.
State of Vermont, Agency of Natural Resources	Rutland, VT	Other Govt	No	Improved connection to state government Wide Area Network
State of Vermont, Judiciary	Rutland, VT	Other Govt	No	Improved connection to state government Wide Area Network
Putney Public Library	Putney, VT	Library	Yes	Connection to State Library Wide Area Network, and much increased internet connectivity to support administrative and patron Internet access.
State of Vermont, Office of Sheriff and State Attorney	Brattleboro, VT	Other Govt	No	Improved connection to state government Wide Area Network
State of Vermont, Dept of Public Safety	Brattleboro, VT	Public Safety	No	Improved connection to state government Wide Area Network and statewide Public Safety communications network
John G. McCullough Free Library	North Bennington, VT	Library	Yes	Connection to State Library Wide Area Network, and much increased internet connectivity to support administrative and patron Internet access.
Mettawee Community School, USD #47	West Pawlet, VT	K12	No	Much-increased internet connectivity speed to support education curriculum and administration.
Poultney Public Library	Poultney, VT	K12	Yes	Connection to State Library Wide Area Network, and much increased internet connectivity to support administrative and patron Internet access.
Marlboro Elementary School	Marlboro, VT	K12	Yes	Much-increased internet connectivity speed to support education curriculum and administration.
Community College of Vermont	Bennington, VT	Community College	Yes	Improved connection to Vermont State Colleges Wide Area Network and academic research networks; improved internet connectivity for students, faculty and administration; improved links to support distance learning.
State of Vermont, Dept of Health	Bennington, VT	Other Govt	No	Improved connection to state government Wide Area Network; enable improved medical and public health services.
Town of Hartford, Public Safety Dept	Hartford, VT	Public Safety	Yes	Improved connection to state government Wide Area Network and statewide Public Safety communications network; improved connection to municipal govt WAN.
State of Vermont, Lottery	Berlin, VT	Other Govt	No	Improved connection to state government Wide Area Network.
City of Montpelier, City Hall	Montpelier, VT	Other Govt	Yes	Much improved Internet access service; upgrade to municipal WAN.
City of Montpelier, Senior Center	Montpelier, VT	Other Govt	Yes	Improved Internet access for seniors and administrators.
State of Vermont, Dept of Libraries	Berlin, VT	Other Govt	Yes	Connection to State Library Wide Area Network and state government WAN.

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
State of Vermont, Office of the Public Defender	Bennington, VT	Other Govt	No	Improved connection to state government Wide Area Network.
Manchester Elementary School	Manchester, VT	K12	No	Much-increased internet connectivity speed to support education curriculum and administration.
United Counseling Service of Bennington County	Bennington, VT	Healthcare	Yes	Improved capabilities for telemedicine and access to electronic health records.
Southern Vermont College	Bennington, VT	Other Higher Ed	Yes	Improved connection to academic research networks; improved internet connectivity for students, faculty and administration; improved links to support distance learning.
State of Vermont, Judiciary	Bennington, VT	Other Govt	No	Improved connection to state government Wide Area Network.
State of Vermont, Dept of Public Safety	Shaftsbury, VT	Public Safety	No	Improved connection to state government Wide Area Network and statewide Public Safety communications network.
State of Vermont, Agency of Transportation	Berlin, VT	Other Govt	No	Improved connection to state government Wide Area Network.
West Rutland School	West Rutland, VT	K12	No	Much-increased internet connectivity speed to support education curriculum and administration.
State of Vermont, Dept of Liquor Control	Montpelier, VT	Other Govt	No	Improved connection to state government Wide Area Network.
City of Montpelier, Police Dept	Montpelier, VT	Public Safety	Yes	Improved connection to municipal WAN and statewide Public Safety Communications Network
Bennington Free Library	Bennington, VT	Library	Yes	Connection to State Library Wide Area Network, and much increased internet connectivity to support administrative and patron Internet access.
Town of Bennington, Police Dept	Bennington, VT	Public Safety	Yes	Improved connection to statewide Public Safety Communications Network
State of Vermont, Dept of Motor Vehicles	Bennington, VT	Other Govt	No	Improved connection to state government Wide Area Network and statewide Public Safety Communications Network.
Deerfield Valley Elementary School	Wilmington, VT	K12	No	Much-increased internet connectivity speed to support education curriculum and administration.
Readsboro Elementary School	Readsboro, VT	K12	No	Much-increased internet connectivity speed to support education curriculum and administration.
Town of Wilmington, Police Dept	Wilmington, VT	Public Safety	Yes	Improved connection to statewide Public Safety Communications Network
Canal St / Oak Grove Schools	Brattleboro, VT	K12	No	Much-increased internet connectivity speed to support education curriculum and administration.
Dorset Elementary School	Dorset, VT	K12	No	Much-increased internet connectivity speed to support education curriculum and administration.
Town of Hartford - Town Hall	Hartford, VT	Other Govt	Yes	Much improved Internet access service; upgrade to municipal WAN.
Town of Hartford - Public Safety tower	Hartford, VT	Public Safety	No	Improved connection to statewide Public Safety Communications Network and municipal police dispatch center.
Bennington-Rutland Supervisory Union	Sunderland	K12	Yes	Much-increased WAN and internet connectivity speed to support education curriculum and administration.
Rutland Free Library	Rutland, VT	Library	Yes	Connection to State Library Wide Area Network, and much increased internet connectivity to support administrative and patron Internet access.
State of Vermont, Judiciary	Rutland, VT	Other Govt	No	Improved connection to state government Wide Area Network.

Berlin Elementary School	Montpelier, VT	K12	Yes	Much-increased internet connectivity speed to support education curriculum and administration.
City of Barre, Police Dept	Barre, VT	Public Safety	Yes	Improved connection to municipal WAN and statewide Public Safety Communications Network
Vermont Housing & Conservation Board	Montpelier, VT	Other Govt	No	Improved connection to state government Wide Area Network.
State of Vermont, Agency of Human Services	Montpelier, VT	Other Govt	No	Improved connection to state government Wide Area Network.
Hartford Library	Hartford, VT	Library	Yes	Connection to State Library Wide Area Network, and much increased internet connectivity to support administrative and patron Internet access.
State of Vermont, Dept of Public Safety	Brattleboro, VT	Public Safety	No	Improved connection to state government Wide Area Network and statewide Public Safety communications network.
Brattleboro Community Television	Brattleboro, VT	Other Govt	Yes	Improved Internet connectivity; improved video transport and filesharing among public access and community television studios.
Town of Brattleboro, Police Dept	Brattleboro, VT	Public Safety	Yes	Improved connection to municipal WAN and statewide Public Safety Communications Network
State of Vermont, Dept of Public Safety	Rutland, VT	Public Safety	No	Improved connection to state government Wide Area Network and statewide Public Safety communications network.
Dummerston School	East Dummerston, VT	K12	No	Much-increased internet connectivity speed to support education curriculum and administration.
State of Vermont, Agency of Transportation	Mendon, VT	Other Govt	No	Improved connection to state government Wide Area Network.
Windsor Public Library	Windsor, VT	K12	Yes	Connection to State Library Wide Area Network, and much increased internet connectivity to support administrative and patron Internet access.
State of Vermont, Judiciary	Barre, VT	Other Govt	No	Improved connection to state government Wide Area Network.
State of Vermont, Policy Academy	Pittsford, VT	Public Safety	No	Improved connection to state government Wide Area Network and statewide Public Safety communications network.
City of Rutland, Police Dept	Rutland, VT	Public Safety	Yes	Improved connection to municipal WAN and statewide Public Safety Communications Network
Stamford Elementary School	Stamford, VT	K12	No	Much-increased internet connectivity speed to support education curriculum and administration.

**Project Indicators (Next Quarter)**

**1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).**

a. SFC will finish design survey for the remainder of the network, which consists primarily of drops and entrances to anchor institutions and points of interconnection.

b. SFC's right of way contractor will obtain remaining easements and property owner consents, secure rail crossing permits, miscellaneous remaining state land use permits, interstate highway crossing and municipal highway work permits.

c. SFC anticipates pole owners will complete make-ready and issue pole attachment licenses for the remaining 1,360 (6%) poles.

d. As the remaining pole licenses and other permits are obtained, additional routes will be released for construction. The remaining 159 miles of aerial plant will be placed.

e. The point of interconnection in Boston MA will be activated.

f. Remaining routers and DWDM nodes will be ordered, received and installed. Additional network segments will be lit as fiber construction is completed.

g. 194 additional CAI locations will be activated, bringing the total to 260. Facility designs will be completed within the quarter for all remaining CAI's, and those locations will be released to construction contractors as designs are finalized and location owner consents obtained.



h. AAR#5 construction will commence and be completed for the pending 16 mile route in Essex County VT.

**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	95	Delays have been stated above and in previous PPRs concerning the overall project variances.
2b.	Environmental Assessment	49	Additional expenses may be incurred as necessary if required for NTIA review of possible route modifications, or for archeological site assessments.
2c.	Network Design	100	Engineering firms will continue to assist SFC with network design and overall project management. Route surveys for the entire project are substantially complete. Most design work during the quarter will focus on CAI and POI entrance facilities.
2d.	Rights of Way	0	N/A. Expenditures for rights of way are budgeted under Network Design, consistent with NTIA project accounting guidance. However, SFC's right of way contractor will continue during the quarter to obtain easements or other consents where required.
2e.	Construction Permits and Other Approvals	100	Almost all permits, including for railroad crossings, river crossings, interstate highway crossings, municipal and state roadway work permits, and land-use permits have been obtained. The remainder are expected to be received during this quarter.
2f.	Site Preparation	72	As of the start of the quarter, SFC had requested make-ready for all poles involved with the project, and obtained licenses on 94%. SFC anticipates pole owners will complete make-ready and issue pole attachment licenses for the remaining 1,360 poles.
2g.	Equipment Procurement	100	Installation, configuration and launch of all remaining routers and DWDM nodes will be completed during the quarter.
2h.	Network Build (all components - owned, leased, IRU, etc.)	84	Core and lateral outside plant will be completed during the quarter on the remaining 159 network miles, although completion requires issuance of attachment licenses issued by pole owners and on obtaining permits and property owner consents. Installation of entrances, drops and electronics for a portion of service locations will carry over into 4Q2013. 260 CAI locations should be ready for service by end of 3Q2013, and all CAI locations are projected to be ready for service by October 31, 2013.
2i.	Equipment Deployment	100	The primary activity in this category is preparation of conditioned collocation space. All collocation space has been fully prepared.
2j.	Network Testing	55	Network testing will continue to follow completion of OSP construction.
2k.	Other (please specify): NA	100	Administration of the project is ongoing.

**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).**

The outside plant construction will continue to be limited by the quantity of pole licenses issued by pole owners, the extent to which make-ready is completed on contiguous runs, and receipt of permits.

It is anticipated that pole owners will have released all remaining poles to SFC within the quarter. Diversion of pole owner construction resources in response to severe weather events remains a risk to completion of make-ready and construction. Construction, splicing, optical testing, field inspection and verification for those network segments will be done following completion of the make-ready. Inspection and verification will carry over into 4Q2013.

The pace of CAI entrance facility design and construction has been limited by the necessity to coordinate site access with each property manager and obtain the property owner's consent to the design of entrance facilities and network termination equipment. CAI's are typically very supportive of the project and look forward to receiving services. Even so, access to each location typically involves multiple staff and working within the schedule constraints of the CAI. SFC and its contractors will continue to communicate with property owners in order to obtain timely access and facility design consents.

