

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 NT10BIX5570076	3. DUNS Number 829946784
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4. Recipient Organization Vermont Telecommunications Authority One National Life Drive, Montpelier, VT 05602-3377

5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2013	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 Erik Amalixsen Project Manager	7c. Telephone (area code, number and extension) 8028281795
	7d. Email Address eamalixsen@telecomvt.org

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 03-10-2014
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Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 Pole make-ready work is complete. SFC’s right-of-way contractor continued to research easements, obtain landowner consents, secure rail crossing and municipal highway work permits.

 Outside plant construction continued at a rapid pace as additional pole licenses, easements and other permits were obtained. During the quarter, 50 route miles of fiber were placed, bringing the total to 813 miles. The leased fiber connection to the Boston MA interconnection point was activated.

 Construction of laterals and entrances to CAI’s continued during the quarter as site surveys and design for each location were completed. Construction to an additional 108 CAI’s was completed. 344 CAI locations, all but 6, are in service or ready to serve.

 Network equipment was ordered and received. Network segments were lit as fiber construction was completed.

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	93	Overall spending during the quarter totaled \$4.7 million, as compared to \$4.6 million projected in the previous PPR, with a total of \$44.1 million spent to date.
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 archaeological site assessments. The extent of such work is not known at this time, though the likelihood of significant additional expenses is small.
2c.	Network Design	100	Route surveys for the entire project are essentially complete with the exception of some small segments to reach the final POIs.
2d.	Rights of Way	0	N/A. Expenditures for rights of way are budgeted under Network Design, consistent with NTIA project accounting guidance.
2e.	Construction Permits and Other Approvals	100	Nearly all remaining permits, including railroad crossings, river crossings, interstate highway crossings, municipal and state roadway work permits, and land-use permits have been obtained.
2f.	Site Preparation	73	Substantially all pole attachment licenses required the project have been obtained.
2g.	Equipment Procurement	100	Installation, configuration and launch of routers and DWDM nodes continued during the quarter. Network equipment was ordered and received.
2h.	Network Build (all components - owned, leased, IRU, etc)	81	Excluding laterals and drops to the 5 remaining CAI's and 20 remaining Pol's, less than 2 route miles of cable remained to be placed. Construction of laterals and entrances to CAI's continued during the quarter, with work being released for construction as site surveys and design for each location are completed. Construction of 106 CAI entrances were completed. 342 CAI locations -- all but 5 -- were ready to serve by end of quarter.
2i.	Equipment Deployment	81	The primary activity in this category is preparation of conditioned collocation space. All collocation space has been fully prepared.
2j.	Network Testing	67	Although no budgeted expenses fall within this reporting category, a baseline projection for Network Testing was made to reflect anticipated fiber testing and network verification. Network testing has followed completion of network segments. The near-term emphasis has on testing strands that enable service to CAI's.
2k.	Other (please specify):	100	Administration of the project is in-going.

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).

On-set of cold temperatures and snow cover in late November (several weeks earlier than normal) limited outside plant construction during the last five weeks of the quarter, in particular underground segments were delayed. Completion of several segments was also slowed by prolonged review of permit applications, pole line relocations, river and highway crossings, and extended negotiations with property owners where easements or access permissions are required for placement of cable facilities.

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	813	Contractors placed 50 route miles of cable during the quarter. The original baseline plan was to have 773 route miles constructed by the end of the quarter. The difference between actual and baseline deployment is due to route changes approved by NTIA, as well as differences between original route length estimates and "actuals" based on as-built plans.
New network miles leased	18	N/A -- no variance between actual and baseline plan.
Existing network miles upgraded	0	N/A
Existing network miles leased	172	No variance. During 4Q2013, SFC accepted and started to use dark fiber strands that were obtained under an IRU approved by NTIA.
Number of miles of new fiber (aerial or underground)	813	The original baseline plan called for completion of 790 miles of new fiber by September 30.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	17	The baseline plan included a total of 16 interconnection points, and a 17th was added with approval an AAR. All 17 interconnection points have been activated.

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	3
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:

GigE WAN Transport, and Direct Internet Access, Dark Fiber Lease in areas identified in AAR#5

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 is the operator of the Vermont FiberConnect network.

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	2	No variance from baseline plan. There are still wholesale providers with signed agreements that have circuits pending activation due to contract term expirations.
	Providers with signed agreements receiving improved access	2	No variance from baseline plan. There are still wholesale providers with signed agreements that have circuits pending activation due to contract term expirations.
	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	344	The level of CAI's served is same as projected in the original baseline plan. The overall number of CAI's increased to 350 as the net result of CAI master list changes approved by NTIA, as well as counting three health care locations at correctional facilities as their own CAI. The remaining 6 CAI's will be served once the CAI commits to the service offering.
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	344	N/A
	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 Transport 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	33	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	33	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 institution? (Yes / No)	Narrative description of how anchor institutions are using BTOP-funded infrastructure
NA	NA	NA	NA	CAI's connected during the reporting quarter (4Q2013) are listed in a separate attachment to the PPR.

Project Indicators (Next Quarter)

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

a. Remaining permits and property owner consents will be obtained during 1Q2014 for nearly all of the 20 points. In most instances, construction will be deferred until 2Q2014 due to difficulty of underground and/or off-road construction during winter.

b. Construction of the remaining 2 route miles of core network facilities will be completed.

c. Installation, testing and configuration of network electronics will continue in order to enable the network's full capabilities.

d. Project engineers will continue to document the completed network on "as-built" plans, and to load strand assignments and other network information into the network inventory platform.

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 target 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	99	Construction of the remaining 2 miles (of roughly 800 total) of core network routes will be completed. Most permits and land-owner access consents required for construction of the remaining 20 Points of Interconnection will be obtained. Although the network is presently carrying traffic and providing service, installation, testing and configuration of the network will continue to implement its full capabilities.
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. The extent of such work is not known at this time, but are likely to be insignificant given the late stage of the project.
2c.	Network Design	100	Engineering firms will continue to assist SFC with network design and overall project management. Route surveys and network design for the entire project are substantially 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 obtain all remaining easements or other consents where required.
2e.	Construction Permits and Other Approvals	100	All remaining permits, including land-use permits and for interstate highway crossings will be obtained during the quarter.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2f.	Site Preparation	75	Complete.
2g.	Equipment Procurement	100	Installation, testing and configuration of all remaining drops and entrances to anchor institutions and points of interconnection will be completed. All remaining core network segments will be lit, tested and configured.
2h.	Network Build (all components - owned, leased, IRU, etc.)	83	The remaining 2 miles of fiber will be placed on core network routes. All remaining core network segments will be lit, tested and configured, as will electronics serving the remaining CAI locations.
2i.	Equipment Deployment	90	All remaining core network segments will be lit, tested and configured, as will be electronics to the remaining CAI locations.
2j.	Network Testing	0	Network testing is on-going until all construction is completed and any performance defects identified during contract close-out and testing are corrected.
2k.	Other (please specify): Administration	100	Administration of the project is on-going, and will be completed during the quarter with the exception of award close-out.

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 key activity during the next quarter is to obtain right-of-way consents for access to the remaining points of interconnection. This will require case-by-case negotiations with property owners, some of which may not result in agreements that allow for construction. There remain 5 CAIs that have been difficult to finalize service agreements with. These CAIs will continue to be worked on to reach a service state.

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	\$1,956,141	\$590,272	\$1,365,869	\$2,182,452	\$659,155	\$1,523,297	\$2,224,852	\$671,690	\$1,553,162
b. Land, structures, right-of-ways, appraisals, etc.	\$1,151,500	\$345,450	\$806,050	\$802,917	\$240,875	\$562,042	\$877,917	\$263,375	\$614,542
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$3,017,040	\$905,112	\$2,111,928	\$2,437,946	\$731,383	\$1,706,563	\$2,692,946	\$807,883	\$1,885,063
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$3,400,000	\$1,020,000	\$2,380,000	\$3,496,026	\$1,048,808	\$2,447,218	\$3,521,026	\$1,056,308	\$2,464,718
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	\$30,720,083	\$9,216,025	\$21,504,058	\$24,844,805	\$7,453,442	\$17,391,363	\$25,219,705	\$7,635,842	\$17,583,863
j. Equipment	\$7,522,996	\$2,584,499	\$4,938,497	\$9,945,911	\$2,983,774	\$6,962,137	\$10,935,911	\$3,280,773	\$7,655,138
k. Miscellaneous	\$410,000	\$123,000	\$287,000	\$1,023,509	\$307,053	\$716,456	\$1,053,509	\$316,053	\$737,456
l. SUBTOTAL (add a through k)	\$48,177,760	\$14,784,358	\$33,393,402	\$44,733,566	\$13,424,490	\$31,309,076	\$46,525,866	\$14,031,924	\$32,493,942
m. Contingencies									
n. TOTALS (sum of l and m)	\$48,177,760	\$14,784,358	\$33,393,402	\$44,733,566	\$13,424,490	\$31,309,076	\$46,525,866	\$14,031,924	\$32,493,942

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: \$0
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