

RECIPIENT NAME:Vermont Telecommunications Authority

AWARD NUMBER: NT10BIX5570076

DATE: 04/13/2015

OMB CONTROL NUMBER: 0660-0037  
EXPIRATION DATE: 6/30/2015

### 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
<b>4. Recipient Organization</b>  Vermont Telecommunications Authority One National Life Drive, Montpelier, VT 05602-3377		
<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  06-30-2014	<b>6. Is this the last Report of the Award Period?</b>  <input type="radio"/> Yes <input checked="" type="radio"/> No	
<b>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>		
<b>7a. Typed or Printed Name and Title of Certifying Official</b>	<b>7c. Telephone (area code, number and extension)</b>	
	<b>7d. Email Address</b>	
<b>7b. Signature of Certifying Official</b>	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>	

**Project Indicators (This Quarter)**

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

Activity during the quarter focused on obtaining property owner permissions to construct facilities to the 27 remaining points of interconnection. One CAI has been connected this quarter.

Project engineers conducted field reviews of completed work to verify the completeness and quality of construction work, and returned "punch-lists" to construction contractors to correct.

Project engineers continued 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 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	97	Overall spending during the quarter totaled \$0.625 million, as compared to \$1.293 million projected in the previous PPR, with a total of \$46.09 million spent to date. Nearly all of the \$0.667M variance between actual and projected spending during the quarter resulted from deferred purchases of electronic equipment that will be received, installed and configured during the next quarter.
2b.	Environmental Assessment	49	Route surveys for the entire project are complete with the exception of some small segments to reach the final POIs.
2c.	Network Design	100	Engineering firms continued to assist with network design and overall project management. Route surveys for the entire project are complete. Design work during the quarter focused on remaining 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.
2e.	Construction Permits and Other Approvals	100	All remaining permits, including railroad crossings, river crossings, interstate highway crossings, municipal and state roadway work permits have been obtained. A state land-use permit application for one POI is pending, but is expected to be obtained by the end of August 2014, in time for construction before the end of the quarter.
2f.	Site Preparation	97	All pole attachment licenses required the project have been obtained.
2g.	Equipment Procurement	100	Installation, configuration of routers and DWDM nodes continued during the quarter. Network equipment was ordered and received. Facilities are in service or service-ready for all but 5 CAI's.
2h.	Network Build (all components - owned, leased, IRU, etc)	98	Eight of the 27 remaining POI sites were released to construction during the quarter.
2i.	Equipment Deployment	91	The primary activity in this category is preparation of conditioned collocation space. All collocation space has been fully prepared.
2j.	Network Testing	0	This budget category has been included in line 2h above. Network testing continues through this period
2k.	Other (please specify): Administration	100	Administration of the project is on-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).**

Obtaining property owner permissions for a portion of the remaining 27 Points of Interconnection and handful of CAI's have been a challenge, as some locations involve multiple entities, and some property owners have been slow in responding to requests for property access.

NTIA approval of an AAR to move several designated Points of Interconnection will be needed.

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	819	The original baseline plan was to have 773 route miles constructed by the end of the quarter. Actual network miles deployed differs slightly from the baseline plan due net effect of route changes approved by NTIA, as well as differences between original route length estimates and "actuals" based on as-built plans. The 818.83 mile total reported here includes 13 miles constructed by sub-recipient NHOS.
New network miles leased	172	The baseline was originally for a 16 mile segment in Rutland county which later became 17 miles and moved to "Existing network miles leased". This number represents the Boston IRU which was added to the project in AAR 2411138 with estimated miles. This number was later confirmed to actually be 172 miles.
Existing network miles upgraded	0	N/A
Existing network miles leased	17	Original baseline was 0 but we were instructed to move a leased fiber segment from "New network miles leased" to this line. Sovernet has leased 17 miles [REDACTED] the agreement did not use BTOP funds.
Number of miles of new fiber (aerial or underground)	991	The combination of both new network fiber miles built and new leased fiber miles.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded Interconnection points	82	The initial baseline for interconnection points was 16, which excluded interconnection points at cell sites. No new POIs were completed during 2Q2014.

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:

[REDACTED]

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 are offered by subrecipient Sovernet Fiber Corp over the Vermont FiberConnect Network. Dark fiber is offered through Dark Fiber Lease with the VTA between Guildhall VT and Bloomfield VT

Price descriptions included in the files attached to this report called "VTA FiberConnect Retail Rates.pdf" and "VTA Wholesale Dark Fiber Rate Table.pdf".

**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 third party operates (600 words or less).**


NEW HAMPSHIRE OPTICAL SYSTEMS, Inc. is the operating entity of the dark fiber segment between Guildhall VT and Bloomfield VT. Contact info: Darren LaCroix, dlacroix@10xtactics.com, NEW HAMPSHIRE OPTICAL SYSTEMS, Inc. 10 N. Southwood Drive, Nashua NH 03063

All other elements of the network are owned and operated by Subrecipient, Sovernet Fiber Corp..  
 Contact info at Sovernet: Lawrence Lackey, LLackey@sover.net, 5 Canal Street, Bellows Falls, VT 05101-0495.

**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	4	Variance from baseline was increased from original known potential agreements due to continued discussions with Wholesale and Last Mile Providers that have resulted in an increase from 1 to 4 with new access.
	Providers with signed agreements receiving improved access	2	No variance from baseline plan.
	Providers with signed agreements receiving access to dark fiber	0	The VTA's dark fiber offering in the Essex County area currently does not have any contracts under negotiation as the northern terminus is waiting on a fiber build by the regional electric utility to be completed.
	Please identify the speed tiers that are available and the number of subscribers for each	30	Speed tiers are customized based on the need of need of broadband wholesaler or last mile provider, up to 100 Gbps.  These service tiers are various levels of bandwidth connections for last mile providers. Sovernet also services CAls via resellers & last mile providers at the speeds shown below for CAls so there is the potential for this total to grow if a last mile provider or wholesaler takes another level of service. The service tiers identified in the service tier rate sheet is not restricted to any customer type. It is also more logical that only a wholesale / last mile provider will subscribe to a transport type service tier.  Dedicated Internet Access Service (Mbps, Committed-Rate, Symmetric) : # of Subscribers: 10 Mbps: [REDACTED] 20 Mbps: [REDACTED] 25 Mbps: [REDACTED] 30 Mbps: [REDACTED] 40 Mbps: [REDACTED] 50 Mbps: [REDACTED] 100Mbps: [REDACTED] 200 Mbps: [REDACTED] 300 Mbps: [REDACTED] 400 Mbps: [REDACTED] 500 Mbps: [REDACTED] 600 Mbps: [REDACTED] 700 Mbps: [REDACTED] 750 Mbps: [REDACTED] 800 Mbps: [REDACTED] 900 Mbps: [REDACTED] 1,000 to 10,000 Mbps: [REDACTED]  Ethernet WAN Service: Committed Information Rate / Port Speed (in Mbps) : # of Subscribers 25 / 1,000 Mbps: [REDACTED] 50 / 1,000 Mbps: [REDACTED] 100 / 1,000 Mbps: [REDACTED] 200 / 1,000 Mbps: [REDACTED] 300 / 1,000 Mbps: [REDACTED]

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
			<p>400 / 1,000 Mbps: [REDACTED]                      500 / 1,000 Mbps: [REDACTED]                      600 / 1,000 Mbps: [REDACTED]                      700 / 1,000 Mbps: [REDACTED]                      750 / 1,000 Mbps: [REDACTED]                      800 / 1,000 Mbps: [REDACTED]                      900 / 1,000 Mbps: [REDACTED]                      1,000 / 1,000 Mbps: [REDACTED]</p> <p>There no speed tiers associated with dark fiber as it is not applicable.</p>
Community Anchor Institutions (Including Government Institutions)	Total subscribers served	308	<p>VTA's CAI baseline is 342. Its end of project target CAI count is 316. In addition, [REDACTED] 32 medical offices/clinics, [REDACTED]</p> <p>One additional CAI was connected this quarter to bring the total connected to 308</p>
	Subscribers receiving new access	308	One CAI has been connected this quarter
	Subscribers receiving improved access	0	N/A
		30	<p>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 Dedicated Internet Access services. [REDACTED] of the 308 connected CAIs are taking service in the following tiers: (note that [REDACTED] CAIs take both Dedicated Internet Service and WAN services).</p> <p>Dedicated Internet Access Service:                      (Service speed : # of CAI's Subscribed)                      10 Mbps: [REDACTED]                      20 Mbps: [REDACTED]                      25 Mbps: [REDACTED]                      30 Mbps: [REDACTED]                      40 Mbps: [REDACTED]                      50 Mbps: [REDACTED]                      100Mbps: [REDACTED]                      200 Mbps: [REDACTED]                      300 Mbps: [REDACTED]                      400 Mbps: [REDACTED]                      500 Mbps: [REDACTED]                      600 Mbps: [REDACTED]                      700 Mbps: [REDACTED]                      750 Mbps: [REDACTED]                      800 Mbps: [REDACTED]                      900 Mbps: [REDACTED]                      1,000 to 10,000 Mbps: [REDACTED]</p> <p>Ethernet WAN Service:                      (Service speed / Port Speed : # of CAI's)                      25 / 1,000 Mbps: [REDACTED]                      50 / 1,000 Mbps: [REDACTED]                      100 / 1,000 Mbps: [REDACTED]                      200 / 1,000 Mbps: [REDACTED]                      300 / 1,000 Mbps: [REDACTED]                      400 / 1,000 Mbps: [REDACTED]                      500 / 1,000 Mbps: [REDACTED]                      600 / 1,000 Mbps: [REDACTED]                      700 / 1,000 Mbps: [REDACTED]                      750 / 1,000 Mbps: [REDACTED]                      800 / 1,000 Mbps: [REDACTED]                      900 / 1,000 Mbps: [REDACTED]</p>
	Please identify the speed tiers that are available and the number or subscribers for each		

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
			1,000 / 1,000 Mbps: 
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 institution? (Yes / No)	Narrative description of how anchor institutions are using BTOP-funded infrastructure
Lyndon Institute	Lyndon	K-12	Yes	Much-increased Internet connectivity to support needs of school administration, and students.

**Project Indicators (Next Quarter)**

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

The project will be completed during the next quarter (ending September 30, 2014).

a. 650 feet of underground core route will be constructed to replace two temporary segments previously installed. Approximately 5 routes-miles of plant will be completed during the quarter to reach the remaining tower sites.

b. Construction to all but 8 currently-designated CAls and 27 POIs have been completed. If consent of a property owner cannot be

obtained to the remaining CAI / POI locations, an Award Action Request will be submitted to remove the CAI locations from the project and move the POI demarc locations of remaining points to the closest utility pole that has already been built out to.

c. Installation, testing and configuration of network electronics continue

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 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	100	Other than close-out activities, the project is expected to be completed by the end of the quarter (September 30, 2014).
2b.	Environmental Assessment	100	Additional expenses are likely to be insignificant given the late stage of the project.
2c.	Network Design	100	An engineering firm 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	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, will be obtained during the quarter.
2f.	Site Preparation	100	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.)	100	The remaining 5 miles of fiber will be placed. All remaining core network segments will be lit, tested and configured, as will electronics serving the remaining CAI locations.
2i.	Equipment Deployment	100	All remaining core network segments will be lit, tested and configured, as will be electronics to the remaining CAI locations.
2j.	Network Testing	0	This budget category has been included in line 2h above. Network testing continues through this period. 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 activities in this final quarter of the award period are to obtain property owner consents for the remaining POI locations, complete construction of facilities to reach the 27 remaining POI's and 8 remaining CAI's, verify construction meets contractual standards, and close-out the remaining equipment and services contracts between subrecipient Sovernet Fiber Corp and vendors. Property owner consents are still required for construction to reach several of these locations. Construction to reach the remaining locations is approximately 5 route miles.

This quarter's reported expenditures incorporate an adjustment to the equipment line item for expenditures reported in prior quarters. The 1Q2014 PPR described an adjustment Sovernet made in that quarter to reclassify and reduce certain costs recorded in between April 2013 and February 2014 for equipment that Sovernet determined could not be utilized by the Vermont Fiber Link project. Subsequently, however, Sovernet determined that this expense (and the subsequent adjustment in 1Q2014) was overstated due to an error in calculating sales tax on a portion of the equipment that was the subject of the adjustment, specifically 57 Ciena enclosures recorded in 2Q2013. The error consisted of incorrectly calculating Vermont sales tax on these items at the rate of 60% (0.6) instead of the correct rate of 6% (0.06). On April 8, 2014, Sovernet recorded an adjustment of \$9080.10 in project equipment costs to correct the error.

The total equipment expenditures reported through the end of 2Q2014 are greater than the equipment actuals reported in 1Q2014 by

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\$38,732. In addition to the amount of the increase caused by the adjustment for the prior period sales tax error, the remaining increase of \$29,652 in reported actual equipment expenditures is due to this quarter's equipment expenditures.



<b>Infrastructure Budget Execution Details</b>									
<b>Activity Based Expenditures (Infrastructure)</b>									
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	\$2,275,066	\$686,939	\$1,588,127	\$2,431,733	\$733,939	\$1,697,794
b. Land, structures, right-of-ways, appraisals, etc.	\$1,151,500	\$345,450	\$806,050	\$814,359	\$244,308	\$570,051	\$906,715	\$272,015	\$634,700
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	\$2,639,452	\$791,835	\$1,847,617	\$3,060,619	\$918,185	\$2,142,434
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	\$3,496,652	\$1,048,996	\$2,447,656	\$3,496,652	\$1,048,996	\$2,447,656
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	\$25,915,242	\$7,774,573	\$18,140,669	\$26,707,339	\$8,015,702	\$18,691,637
j. Equipment	\$7,522,996	\$2,584,499	\$4,938,497	\$9,902,809	\$2,970,843	\$6,931,966	\$11,031,957	\$3,637,186	\$7,394,771
k. Miscellaneous	\$410,000	\$123,000	\$287,000	\$1,047,060	\$314,118	\$732,942	\$1,078,709	\$323,613	\$755,096
l. SUBTOTAL (add a through k)	\$48,177,760	\$14,784,358	\$33,393,402	\$46,090,640	\$13,831,612	\$32,259,028	\$48,713,724	\$14,949,636	\$33,764,088
m. Contingencies									
n. TOTALS (sum of l and m)	\$48,177,760	\$14,784,358	\$33,393,402	\$46,090,640	\$13,831,612	\$32,259,028	\$48,713,724	\$14,949,636	\$33,764,088
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				