

**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>  NT10BIX5570093	<b>3. DUNS Number</b>  175409010
<b>4. Recipient Organization</b>  Citizens' Telephone Co-operative 220 Parkway Ln S, Floyd, VA 24091-4170		
<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  03-31-2013	<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>  Chris Bond	<b>7c. Telephone (area code, number and extension)</b>  X	
	<b>7d. Email Address</b>  chrisbond@citizens.coop	
<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  05-31-2013	

**Project Indicators (This Quarter)**

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

Contract I: Nichols Construction, LLC has completed all fiber construction on the contract except for a 1-mile aerial section in Pulaski County that has been delayed by difficulty in easement obtainment and aerial make ready that is required from Verizon. This make ready work is in progress and easements should be obtained by the end of the month. Splicing of fiber on all constructed areas is complete. Currently Nichols Construction has a crew performing testing on fiber and correcting attenuation issues in the fiber storage loops. This testing should be complete by April 30, 2013. By the end of the quarter, Nichols had installed a total of 102 miles (99%) of the proposed 103 mile contract.

Contract II: Lambert's Cable Splicing, LLC completed construction along Route 8 in Montgomery County in the Riner area, near the site of road construction and new high school that was delayed by aerial make ready work needed by AEP and Verizon. Splicing of the fiber along Route 8 was completed on April 9, 2013. Testing of fiber to resolve attenuation issues along the fiber routes has continued and should be completed by April 30, 2013. By the end of the 11th quarter, Lambert's had placed 70.5 miles (99%) of the proposed 71 miles of fiber on this contract.

Contract IV: Edwards Telecommunications, Inc. completed construction on the underground section of fiber along Route 100 from Dublin (Pulaski County) to Pearisburg (Giles County) on December 20, 2012. Splicing and testing of this section of fiber was completed on December 28, 2012. Edwards has completed all final clean up on this section of the contract. The remaining section (5.2 miles) of construction is aerial cable located in the Town of Pearisburg that is being held up by make ready work that is needed by AEP and Verizon. No time schedule for completion of this work has been announced by these companies. By the end of the quarter, Edwards had completed construction on 18.8 miles (78%) of the proposed 24 miles of fiber for this contract.

By the end of the 11th quarter, a total of 179.8 linear miles (97%) of the proposed 186 linear miles of NTIA/BTOP project had been 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	82	Citizens originally projected having 95% of the project complete by the end of the 11th Quarter. Since this Milestone is calculated on Federal Funds that have been spent, the delay in percentage complete is due to the delay in invoicing from the Contractors performing the construction. Actual construction on the project was 96% complete at the end of the 11th Quarter.
2b.	Environmental Assessment	100	No Variance
2c.	Network Design	100	No Variance
2d.	Rights of Way	100	No Variance
2e.	Construction Permits and Other Approvals	100	No Variance
2f.	Site Preparation	100	No Variance
2g.	Equipment Procurement	100	No Variance
2h.	Network Build (all components - owned, leased, IRU, etc)	96	No Variance
2i.	Equipment Deployment	80	No Variance
2j.	Network Testing	96	No Variance
2k.	Other (please specify): N/A	0	No Variance

**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).**

Contracts I and IV have varying amounts of make ready issues that continue to delay construction and completion of those contracts.  
 \* Contract I - 1 mile section in Pulaski County  
 \* Contract IV – 5.2 mile section in Pearisburg (Giles County)  
 Both contractors are committed to finish this construction as soon as this make ready work is completed by Verizon and AEP. At this time, the make ready work in these two locations is underway, but not complete. No definite schedule has been announced for the final completion of this work. The above mentioned areas make up all of the unfinished construction on this project.

**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	180	No Variance
New network miles leased	0	No Variance
Existing network miles upgraded	0	No Variance
Existing network miles leased	0	No Variance
Number of miles of new fiber (aerial or underground)	180	No Variance
Number of new wireless links	0	No Variance
Number of new towers	0	No Variance
Number of new and/or upgraded interconnection points	4	Citizens had anticipated having 8 interconnection points in place by the end of the 11th quarter. Delays in construction because of incomplete aerial make ready work has resulted in portions of the fiber route needing to be built in order to establish the remaining interconnection points. Also, despite there only being 6.2 miles of construction left to complete, not all of the fiber has been tested and released to us, nor all of the equipment deployed thus making us unable to connect all 8 interconnection points as of March 31, 2013.

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	2
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:**  
 None

**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:**

Pricing plan, along with wholesale services being provided, has been attached to PPR submission.

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).  
N/A

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	Citizens had anticipated having 1 signed agreement with a wholesale provider. Delay in the final approval of the Environmental Assessment and the long lead time in obtaining fiber cable and other materials have impacted the timing of construction, thus impacting the ability to provide new access to wholesalers.
	Providers with signed agreements receiving improved access	0	No Variance
	Providers with signed agreements receiving access to dark fiber	0	No Variance
Community Anchor Institutions (including Government institutions)	Please identify the speed tiers that are available and the number of subscribers for each	0	No Variance
	Total subscribers served	47	Citizens had anticipated 52 CAI's by the end of the 11th Quarter. Delays were due to existing school contracts and incomplete construction in some locations. Also, total number of CAI's being built to is now at 50.
	Subscribers receiving new access	28	Citizens anticipated having 46 new subs by the end of the quarter. Delays were due to existing school contracts and incomplete construction in some locations.
	Subscribers receiving improved access	19	Citizens anticipated having 6 subs by the end of the quarter.
Residential / Households	Please identify the speed tiers that are available and the number or subscribers for each	1	1 GB - 5 Subscribers NOT YET ESTABLISHED - 42 CAI's
	Entities passed	0	No Variance
	Total subscribers served	0	No Variance
	Subscribers receiving new access	0	No Variance
	Subscribers receiving improved access	0	No Variance
Businesses	Please identify the speed tiers that are available and the number of subscribers for each	0	No Variance
	Entities passed	0	No Variance
	Total subscribers served	0	No Variance
	Subscribers receiving new access	0	No Variance
	Subscribers receiving improved access	0	No Variance

**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
School Service Department	Montgomery County	School (K-12)	No	Have not activated service
Elliston Elementary	Montgomery County	School (K-12)	No	Have not activated service
Auburn Fire & Rescue	Montgomery County	Public Safety Entity	No	Have not activated service
NRV Medical Center	Montgomery County	Medical or Healthcare Provider	No	Have not activated service
Radford University	Montgomery County	Other Institution of Higher Education	No	Have not activated service
NRV Detention Center	Montgomery County	Other Government Facility	No	Have not activated service
Sheriff's Office/ Courthouse	Montgomery County	Other Government Facility	No	Have not activated service
Wythe Sheriff's Office	Wythe County	Other Government Facility	No	Have not activated service
New Wythe Government Offices	Wythe County	Other Government Facility	No	Have not activated service
Wythe Community College	Wythe County	Community College	No	Have not activated service
Wythe Hospital	Wythe County	Medical or Healthcare Provider	No	Have not activated service

**Project Indicators (Next Quarter)**

**1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).**  
Contract I  
Nichols Construction LLC will continue with the testing of fiber optic cable in all areas to resolve attenuation issues. This work will consist of digging up of cable in problem areas to relieve tight radius bends in cable and repair bad splices. Plans are to complete this testing by May 3, 2013. If make ready work on the 1-mile aerial section in Pulaski County is completed in early May, it is anticipated that this remaining construction and all testing associated with it could be completed by the end of May 2013.

Contract II  
Lamberts Cable Splicing will continue with testing of fiber optic cable in problem areas to resolve attenuation issues as well. It is

anticipated that all testing will be finished on all fiber optic cable by May 8th, 2013.

**Contract IV**

At this time, Edwards Telecommunications is finished with all construction and testing of the 18.8 mile buried portion of the fiber optic cable on it's contract. They will construct the 5.2 mile aerial section in the town of Pearisburg soon after make ready is completed by AEP and Verizon. Since some make ready has been done, it is anticipated that construction can be started by Edwards around the middle of May 2013 or shortly after with construction and testing complete by the middle of June 2013.

**Community Anchor Institutions**

Service activation at most of the CAI's in Montgomery and Pulaski County is still pending the completion of testing of the fiber optic cable in these areas. Activation of service at these locations should be ready by the 12th quarter. Service drops have been installed at 35 CAI locations. Only one location remains and it should be completed by mid-February.

**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	94	Citizens originally projected having 100% of the project complete by the end of the 12th Quarter. Since this Milestone is calculated on Federal Funds that have been spent, the delay in percentage complete is due to the delay in invoicing from the Contractors performing the construction. Actual construction on the project is projected to be 100% complete at the end of the 12th Quarter.
2b.	Environmental Assessment	100	No Variance
2c.	Network Design	100	No Variance
2d.	Rights of Way	100	No Variance
2e.	Construction Permits and Other Approvals	100	No Variance
2f.	Site Preparation	100	No Variance
2g.	Equipment Procurement	100	No Variance
2h.	Network Build (all components - owned, leased, IRU, etc.)	100	No Variance
2i.	Equipment Deployment	100	No Variance
2j.	Network Testing	100	No Variance
2k.	Other (please specify): N/A	0	No Variance

**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).**

N/A

**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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
b. Land, structures, right-of-ways, appraisals, etc.	\$160,000	\$32,000	\$128,000	\$323,896	\$64,779	\$259,117	\$323,896	\$64,779	\$259,117
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$491,739	\$491,739	\$0	\$258,077	\$258,077	\$0	\$272,674	\$272,674	\$0
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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	\$9,819,064	\$1,581,304	\$8,237,760	\$7,970,099	\$1,594,020	\$6,376,079	\$9,404,966	\$1,811,280	\$7,593,686
j. Equipment	\$1,090,000	\$218,000	\$872,000	\$871,548	\$174,310	\$697,238	\$871,548	\$174,310	\$697,238
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>l. SUBTOTAL (add a through k)</b>	\$11,560,803	\$2,323,043	\$9,237,760	\$9,423,620	\$2,091,186	\$7,332,434	\$10,873,084	\$2,323,043	\$8,550,041
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>n. TOTALS (sum of l and m)</b>	\$11,560,803	\$2,323,043	\$9,237,760	\$9,423,620	\$2,091,186	\$7,332,434	\$10,873,084	\$2,323,043	\$8,550,041

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: \$2,583,000      b. Program Income to Date: \$20,000