

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 NT10BIX5570093	3. DUNS Number 175409010
4. Recipient Organization Citizens' Telephone Co-operative 220 Parkway Ln S, Floyd, VA 24091-4170		
5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2013	6. Is this the last Report of the Award Period? <input checked="" type="radio"/> Yes <input type="radio"/> No	
7. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.		
7a. Typed or Printed Name and Title of Certifying Official Chris Bond	7c. Telephone (area code, number and extension) X	
	7d. Email Address chrisbond@citizens.coop	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 12-11-2013	

Project Indicators (This Quarter)

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

Contract I: Nichols Construction, LLC completed all fiber construction on the contract on June 26, 2013. Splicing and testing of fiber on this contract was completed on July 8, 2013. By July 8th, Nichols had installed and tested a total of 103 miles (100%) of the proposed 103 mile contract.

Contract IV: Edwards completed construction on the remaining 5.2 miles of aerial fiber in the Town of Pearisburg on July 15, 2013. Splicing and testing of the fiber in this area was completed on July 17, 2013. By July 17, 2013, Edwards had completed construction on all 24 miles (100%) of the proposed 24 miles of fiber for this contract.

By July 17, 2013, a total of 186 linear miles (100%) of the proposed 186 linear miles of the NTIA/BTOP project had been completed.

Accomplishments:

NRCC (New River Community College)

With the completion of our BTOP project NRCC now has a 1Gbps (1,000Mbps) connection between its two campuses for less than what they were paying before for two T1s. The link between the two campuses has over 600 times the speed they had before.

Pulaski County & Pulaski County Public Schools (PCPS)

Pulaski County and PCPS both analyzed their telecommunication expenses and elected to put up \$600,000 in matching funds for this project, knowing that the cost savings alone would result in an ROI (Return On Investment) of roughly 3 years. Even with this short ROI, they were able to dramatically increase their bandwidth. PCPS was able to upgrade connections between schools from 100Mbps to 1Gbps (1,000Mbps) and their centralized internet connection from 100Mbps to 200Mbps. The local government offices were able to upgrade their T1 (1.5Mbps) connections between offices to 1Gbps (1,000Mbps), while also increasing their centralized internet connection to 100Mbps. PCPS also gained low latency connectivity to school systems and higher education institutions (VT, RU, and NRCC) in the region that have connectivity and peering setup with Citizens.

Montgomery County Public Schools (MCPS)

MCPS saw a huge increase in bandwidth between schools by switching from MPLS. Over 50% of the schools in the county only had T1 service (1.5Mbps) and a few had 10Mbps service and one 100Mbps service (shared internet backbone for all schools). All the schools are now interconnected with 1Gbps circuits and are sharing a 200Mbps centralized internet connection. After the switch to the new fiber network the interconnections between schools on average have over 500 times the speed/bandwidth than they had previously.

LTE service now available in region

Lumos has purchased wholesale circuits to provide fiber connections to three LTE cell sites for large cellular companies in the New River Valley: Pearisburg, Newport, and Radford.

NRV Airport

The NRV Airport previously had DSL service of 768Kbps/256Kbps (upload/download) and they now have 3Mbps (3,000Kbps) symmetrical service with the option to purchase service up to 10Gbps (10,000Mbps). This upgrade to 3Mbps symmetrical internet service was a 206% increase in download speed and 1072% speed increase for upload.

Citizens Cablevision, Inc.

This project tied into another BTOP project that was built by the partnership of VTF (Virginia Tech Foundation) and MBC (Mid-Atlantic Broadband Corporation) whose project went through New Castle, VA. Cablevision has been looking for an economical way to get a fiber connection to the cable system in New Castle since acquiring the system in 2005/2006. Through our NRV-ROAN project interconnections with the VTF/MBC project in Blacksburg, Cablevision now has an economical way to get to New Castle. They are in the process of upgrading that system to improve the quality of its TV service and adding cable modem service in the near future.

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	100	No Variance
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	100	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).

Up to June 15, 2013, make ready issues in 2 areas had delayed the completion of construction on this project.

On Contract I, there was approximately 1 mile of aerial in Pulaski Co. that could not be built because of pending make ready work by Verizon. When that make-ready work was finally completed, construction on this 1-mile section was completed on June 26, 2013 and testing was completed on July 8th, 2013.

On Contract IV, a 5.2 mile portion of aerial construction in the town of Pearisburg in Giles Co. was held up by pending make ready work needed by Verizon and AEP. This make-ready work was completed in mid-June. Construction was completed on the aerial section in Pearisburg on July 15, 2013 and testing of this section of fiber was completed on July 17th, 2013.

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	186	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)	186	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	8	No Variance

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	1
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	2

Indicators			
Average term of signed agreements (in quarters)		40	
<p>5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: Lumos Networks</p>			
<p>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.</p>			
<p>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</p>			
<p>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).</p>			
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
	Providers with signed agreements receiving improved access	0	No Variance
	Providers with signed agreements receiving access to dark fiber	0	No Variance
	Please identify the speed tiers that are available and the number of subscribers for each	1	50M - 1 Subscriber
Community Anchor Institutions (including Government institutions)	Total subscribers served	57	No Variance
	Subscribers receiving new access	48	No Variance
	Subscribers receiving improved access	9	No Variance
	Please identify the speed tiers that are available and the number or subscribers for each	2	1GB - 28 Subscribers 3M - 1 Subscriber NOT YET ESTABLISHED - 28
Residential / Households	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

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Please identify the speed tiers that are available and the number of subscribers for each	0	No Variance
Businesses	Entities passed	0	No Variance
	Total subscribers served	2	No Variance
	Subscribers receiving new access	2	No Variance
	Subscribers receiving improved access	0	No Variance
	Please identify the speed tiers that are available and the number of subscribers for each	2	1GB - 1 Subscriber 3M - 1 Subscriber

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
Auburn Middle	Montgomery County	School (K-12)	Yes	CAI is using BTOP-funded infrastructure for internet/transport usage, SOL testing, data backup, distance learning, video classroom, accessing video library server, video conferencing, adult learning, video surveillance, and the "no child left behind" program.
Auburn High	Montgomery County	School (K-12)	Yes	CAI is using BTOP-funded infrastructure for internet/transport usage, SOL testing, data backup, distance learning, video classroom, accessing video library server, video conferencing, adult learning, video surveillance, and the "no child left behind" program.

Project Indicators (Next Quarter)

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

Project Complete.

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	No Variance
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	100	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	\$337,946	\$64,779	\$273,167	\$337,946	\$64,779	\$273,167
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$491,739	\$491,739	\$0	\$273,829	\$273,829	\$0	\$273,829	\$273,829	\$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	\$9,283,920	\$1,705,777	\$7,578,143	\$9,283,920	\$1,705,777	\$7,578,143
j. Equipment	\$1,090,000	\$218,000	\$872,000	\$1,197,782	\$174,310	\$1,023,472	\$1,197,782	\$174,310	\$1,023,472
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$11,560,803	\$2,323,043	\$9,237,760	\$11,093,477	\$2,218,695	\$8,874,782	\$11,093,477	\$2,218,695	\$8,874,782
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$11,560,803	\$2,323,043	\$9,237,760	\$11,093,477	\$2,218,695	\$8,874,782	\$11,093,477	\$2,218,695	\$8,874,782

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: \$68,371
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