ANNUAL PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Award Identification Number	3. DUNS Number
Department of Commerce, National Telecommunications and Information Administration	NT10BIX5570131	044627859

4. Recipient Organization

Peoples Telephone Cooperative Inc. 102 N. Stephens St., Quitman, TX 75783-2202

5. Current Reporting Period End Date (MM/DD/YYYY)	6. Is this the last Annual Report of the Award Period?
12-31-2013	⦿ Yes ◯ 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	7c. Telephone (area code, number and extension)
Sharon Hurley	X
	7d. Email Address skh@peoplescom.net

7b. Signature of Certifying Official	7e. Date Report Submitted (MM/DD/YYYY):
Submitted Electronically	05-14-2014

OVERALL PROJECT PERFORMANCE INDICATORS

1. Please provide the following average cost figures for your project. Please review the instructions to determine how to calculate these figures. Write "0" in the second column and "N/A" in the third column if your project does not yet have this information. Depending on whether your project contains Middle Mile and/or Last Mile components, some metrics may not apply. Please provide a narrative description if the total is different from the target provided in your baseline plan (600 words or less).

Cost Indicator	Average Cost / Speed	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Average cost per new mile (Middle Mile)	55,309	Average cost per mile includes fiber and construction costs, but engineering fees were not included when calculating this figure.
Average cost per household passed (Last Mile)	N/A	N/A
Average cost per subscriber (Last Mile)	N/A	N/A
Maximum broadband speed advertised (Middle Mile)	10 Gig	N/A
Maximum broadband speed advertised (Last Mile)	N/A	N/A
Average broadband speed provided (Middle Mile)	187	N/A
Average broadband speed provided (Last Mile)	N/A	N/A

2. Please provide each facility name and type, the county where the facility is located, and census tract information for any facilities funded by your project during this annual reporting period. Report only facilities for which construction has been completed.

Facility Identifier / Name	Facility Type	County	Census Tracts
Bonham	1 Gig	Fannin	48.147.9504.02
Canton - Trade Days Blvd	1 Gig	Van Zandt	48.467.9507.00
Canton - Dallas Street	1 Gig	Van Zandt	48.467.9507.00
Cypress Industrial Park	1 Gig	Franklin	48.449.9503.00
Greenville	1 Gig	Hunt	48.231.9604.00
Leonard	10 Gig	Fannin	48.147.9507.01
Lindale	1 Gig	Smith	48.423.0014.04
Mt Pleasant	10 Gig	Titus	48.449.9503.00
Paris	1 Gig	Lamar	48.277.0009.00
Sulphur Springs downtown	10 Gig	Hopkins	48.223.9505.00
Sulphur Springs Morningside	10 Gig	Hopkins	48.223.9506.00
Taco Bell	1 Gig	Wood	48.499.9508.00

| Wills Point | 10 Gig | Van Zandt | 48.467.9505.00 |

| Add Facility | Remove Facility |

3. Please identify (1) the total number of interconnection, peering, and/or transit agreements entered into during this annual reporting period; (2) the total number of agreements of each type that you are currently negotiating; and (3) whether you have denied any request for interconnection and if so, why. If you have not entered into any agreements, please write "N/A."

Interconnection Agreements (600 words or less)
We are providing data interconnection with one wireless private network provider interfacing to over 50 schools in Region 8. We are also providing fiber interconnection for seven small regional ISPs and four wireless operators. We have twelve points of interconnection with Verizon through a SuddenLink cable TV subsidiary and several points of interconnection to a WISP known as Peoples Wireless. We have not denied any requests for interconnection.

Overall, we have added broadband to or increased the broadband speeds of 51 communities and increased the number of broadband providers in our area to encourage competition. Building to last mile providers also increased access to and current speeds of countless other communities as we also provide access to lower cost bandwidth for these carriers.

Our future plans include developing the area's medical network to allow telemedicine in rural areas that desperately need it.

Peering and Transit Agreements (600 words or less)

We are providing internet to two ILECs in the area as network peers. We have not denied any requests for peering or transit agreements.

CAPACITY, UTILIZATION, AND CAPABILITY INDICATORS

4. Community Anchor Institutions: In the chart below, please provide information on the types of community anchor institutions capable of receiving service (i.e., anchor institutions connected to your network plus those passed by your network) as a result of BTOP funds.

Type of Community Anchor Institution	Total Number Within Service Area	Type of Community Anchor Institution	Total Number Within Service Area
Schools (K-12)	53	Public Housing	0
Libraries	18	Other Institutions of Higher Education	0
Medical and Healthcare Providers	48	Other Community Support Organizations	22
Public Safety Entities	11	Other Government Facilities	50
Community Colleges	7	Total Community Anchor Institutions	209

5. Please indicate the average increase in broadband speed provided to the community anchor institution customers as a result of your project, including a description of how this increase was calculated (600 words or less).

N/A

6. What retail services are being provided by this project? Please describe below. (600 words or less). As an attachment to this report, please provide pricing plans (in $ per month) associated with each retail service. Retail services description:

Peoples offers ethernet services at speeds from 10 Meg to 10 Gig.

7a. What network management policies (e.g., bandwidth limitations, traffic prioritization) are in place for the services provided by your project? 7b. Have you ever limited or blocked consumers from accessing any lawful content, service, service provider, or application, or prevented any consumers from attaching any legal device to the network? If so, please explain why (300 words or less)?
Currently, voice is prioritized throughout our network. We are presently developing a bandwidth prioritization schedule for medical and healthcare providers' traffic as well. We have not limited or blocked consumers from accessing any lawful content, service, service provider, or application, or prevented any consumers from attaching any legal devices to the network.

8. If applicable, please provide the total number and the percentage of subscribers who have dropped the broadband service provided through this project (total number of households and/or businesses and the "churn rate") and the subscribers' reasons for discontinuing their service (600 words or less).

One last mile provider dropped their service due to financial difficulties. No other subscribers have dropped their broadband service.

9. Please provide the following information regarding the number of fiber strand-miles:

Total Number of Strand-miles	Total Number of Active Fiber Strand-miles Used by Recipient	Total Number of Leased Fiber Strand-miles	Total Number of Dark Fiber Strand-miles	Total Number of Strand-miles Being Built		
				Active	**Leased**	**Dark**
82,721	82,541	180	0	0	0	0

10. If you wholesale dark fiber, please list your wholesale customers and the number of fiber miles you currently are leasing to those customers:

We do not have any dark fiber customers, nor do we intend to wholesale dark fiber.

11. Please provide the following information regarding the facility collocation capacity:

Total Facility (total square feet for all facilities)	Number of Square Feet Used by Recipient	Number of Square Feet Leased	Number of Square Feet Available
0	0	0	0

12. If you do not own collocation space, please describe how and where other network providers and/or customers interconnect with your network (600 words or less).

We have provided hand-holes approximately every mile to connect to ISPs, Last Mile Providers and end users to the fiber. We do not contemplate leasing floor space or space in any of our cabinets or offices. We have terminal space in a "carrier hotel" in Dallas and access to one in Longview. Each of these places has extensive interconnection capabilities for many carriers.

13. To the extent that you have made any subcontracts or sub grants, please provide the number of subcontracts or sub grants that have been made to socially and economically disadvantaged small business (SDB) concerns as defined by section 8(a) of the Small Business Act, 15 U.S.C. 647, as modified by NTIA's adoption of an alternative small business size standard for use in BTOP. Please also provide the names of these SDB entities (150 words or less).
N/A

14. Please describe any best practices/lessons learned that can be shared with other similar BTOP projects (900 words or less).

It is always prudent to order fiber optic cable ahead of schedule. In addition, do detailed engineering on routes early in the project so route changes have time to get through extremely long approval cycles. Contact municipalities early in the project.

15. Using the Excel spreadsheet template titled "Annual PPR CCI Addendum", please provide an updated list of Community Anchor Institutions (CAIs) that you have connected and plan to connect to your network.

16. Using the Excel spreadsheet template titled "Annual PPR CCI Addendum", please provide a list of community pairs that are receiving new or improved broadband service as a result of BTOP grant funds.

17. Please provide up-to-date network route maps in a single file, in a Google Earth compatible format (e.g., KMZ file).