

RECIPIENT NAME: ION Newco Corp
AWARD NUMBER: NT10BIX5570133
DATE: 02/26/2013

OMB CONTROL NUMBER: 0660-0037
EXPIRATION DATE: 12/31/2013

ANNUAL 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 NT10BIX5570133	3. DUNS Number 961747875
4. Recipient Organization ION Newco Corp 80 State Street Suite 700, Albany, NY 12207-2543		
5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2012	6. Is this the last Annual Report of the Award Period? <input type="radio"/> Yes <input checked="" 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 Michael Shuipis	7c. Telephone (area code, number and extension) 5186894559	
	7d. Email Address mshuipis@i-o-n.com	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 02-26-2013	

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)	38817	Baseline=35,168. For various reasons there have been more buried fiber miles than originally planned. Also, make ready costs have been greater per mile than anticipated.
Average cost per household passed (Last Mile)	0	N/A
Average cost per subscriber (Last Mile)	0	N/A
Maximum broadband speed advertised (Middle Mile)	10GBPS	No variance
Maximum broadband speed advertised (Last Mile)	0	N/A
Average broadband speed provided (Middle Mile)	10GBPS	No variance
Average broadband speed provided (Last Mile)	0	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
N/A	N/A	N/A	N/A

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)

- (1) 10 agreements entered.
- (2) 8 agreements being negotiated.
- (3) No request for interconnection has been denied.

Peering and Transit Agreements (600 words or less)

N/A

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)	4	Public Housing	0
Libraries	15	Other Institutions of Higher Education	22
Medical and Healthcare Providers	61	Other Community Support Organizations	11
Public Safety Entities	11	Other Government Facilities	16
Community Colleges	8	Total Community Anchor Institutions	148

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).

Average increase is 4 times their current capacity. Calculated based on sampling of connected CAI's where we are aware of the speed of their prior broadband service.

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:

ION provides only wholesale services.
The Development Authority of the North Country primarily sells wholesale services, however, we do have two retail Healthcare networks to which we are providing retail services. Service is Ethernet transport between healthcare sites with a shared internet component. Prices are \$600 for 10 Mbps, \$2,268 for 100 Mbps, and \$3,218 for 1 Gbps circuits.

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)?

(7a)Network management policies are found on the ION website: www.i-o-n.com.
(7b)As a wholesale service provider we do not rate limit or block any lawful content or service provider on the network. We do have several methods for prioritization of traffic, however, we have not had any customer requests to do that at this time.

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).

N/A

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
96,939	54,214	0	0	25,009	17,716	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:

N/A

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

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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).

Option 1) In order to facilitate connectivity ION will provision a fiber optic tie cable between its equipment and other last mile carriers located in the carrier hotel, this generally requires a one time construction expense of between \$1500 and \$3500 in order to enable the connection.

Option 2) In the event the last mile service provider wishes to connect at the Incumbent Local Exchange Carrier (ILEC) central office (CO), we will construct our own collocation space within the ILEC CO which enables us to use Unbundled Network Elements (UNEs) such as fiber ties between cages at a nominal monthly rate.

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).

1. Engage pole owners early in process and frequently to avoid delays in make ready work.
2. Use the same architectural and engineering firm(s) throughout the project to build a high level of knowledge of the project and to minimize re-work.
3. Proactively engage local government, economic development agencies, chambers of commerce and industrial development agencies before project implementation to gain feedback on local needs.
4. Publish a newsletter to inform the communities of all aspects of the project.
5. Communicate with state broadband and technology office proactively providing them maps and updates of project progress and availability.
6. Continue to engage the Environmental Agencies as necessary throughout the project, paying close attention to any Special Award Conditions that were identified during the award phase.

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).