

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 NT10BIX5570085	3. DUNS Number 878195239
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4. Recipient Organization Vermont Telephone Company, Inc. 354 River Street, Springfield, VT 05156-2242
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5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2014	6. Is this the last Report of the Award Period? <input checked="" type="radio"/> Yes <input type="radio"/> No
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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 Catherine Euchre	7c. Telephone (area code, number and extension) X
	7d. Email Address ceuchre@vermontel.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 10-01-2015
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Project Indicators (This Quarter)

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

The goal of the VTBELL project was to build lateral connections off our existing network core to connect to schools, hospitals, government facilities, and wireless towers. VT BELL was awarded a \$12,861,126 BTOP grant to build laterals etc. targeting 132 miles and 108 CAIs.

VTel completed its project on budget at \$12,861,126 on December 31, 2014. We are proud to say that as of the end of the project we completed all of the 165.22 projected Route miles. We upgraded 410 miles of our existing network with enhanced optics/electronics. We connected 125 Community Anchor Institutions across 9 of the 14 counties in Vermont. Our IRU enables us to connect our network to tier 1 peering sites in Boston.

The importance of connecting additional K-12 schools is absolutely critical for Vermont, as our geographically dispersed school systems tries to keep up with the growing bandwidth necessary for successful education both today and into the future. Vermont is migrating to online standardized testing, and one-to-one computing and distance learning are far more prevalent and important to today's classrooms. Of the 56 K-12 schools that we have connected 28 will have speeds of >= 10 Mb and < 50 Mb and 28 will have speeds of >= 100 Mb and < 1 Gb.

VTBell has also enabled a consortium of congregate living facilities that have completed a demonstration project with significantly improved health outcomes for seniors through the utilization of monitoring vital statistics, medications and overall health status over high bandwidth connections.

VT BELL project has supported Vermont's State Librarian's efforts to leverage all NTIA projects to move our community library system forward as hubs of connectivity in local communities. The addition of the libraries and schools to this project will help us to achieve the greater goals of 1:1 computing in the classroom and establishing a deeper WAN with our library system. As hubs, we envision our libraries becoming the center of digital and information literacy in our communities. VT BELL has connected 11 libraries with speeds between >= 10 Mb and < 50 Mb.

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	The proposed project was completed on 12/31/14. Total project cost is 105.4% of budget.
2b.	Environmental Assessment	100	Our project was completed on 12/31/14 and the environmental assessment came in at 100% of budget.
2c.	Network Design	100	The project was completed on 12/31/14 and network design costs came in at 103.1% of budget.
2d.	Rights of Way	100	The completed on 12/31/14 and ROW costs came in at 100% of budget.
2e.	Construction Permits and Other Approvals	100	The project was completed on 12/31/14 and construction costs came in at 111.6% of budget
2f.	Site Preparation	100	Our project was completed on 12/31/14 and site preparation costs came in at 98.9% of budget
2g.	Equipment Procurement	100	Our project was completed on 12/31/14 and equipment costs came in 99.8% of budget. (Procurement costs are combined with equipment costs and we did not break them out separately).
2h.	Network Build (all components - owned, leased, IRU, etc)	100	Our project was completed on 12/31/14 and network build a costs came in at 111.6% of budget.
2i.	Equipment Deployment	100	Our project was completed on 12/31/14 and equipment costs (including deployment) came in at 99.8% of budget.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2j.	Network Testing	100	Our project was completed on 12/31/14 and network testing costs came in at 100% of budget.
2k.	Other (please specify): classes, audit	100	Our project was completed on 12/31/14 and miscellaneous costs came in at 99.6% of budget.

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).

The only issue faced was the strike at Fairpoint. As a result of the strike we were unable to obtain leased conduit to 7 CAI sites we had in our projection. The CAI's affected were in Newport, VT (Newport Senior Housing (two locations); Lakeview Senior Housing, Goodrich Memorial Library)); Woodstock, VT (Norman Williams Library); Canaan, VT (Alice M. Ward Memorial Library); and Island Pond, VT (Island Pond Public Library).

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	165	VT BELL constructed 165.22 fiber miles by project end and we exceeded our baseline of 132. Our project was completed on 12/31/14.
New network miles leased	91	Our dark fiber IRU enabled us to connect our network to tier 1 peering sites in Boston and that was completed by our 12/31/14 project end date.
Existing network miles upgraded	410	VT BELL upgraded all 410 miles of its existing network as noted in baseline. This phase of our project was completed on 12/31/14.
Existing network miles leased	38	All projected miles were completed as of 12/31/14
Number of miles of new fiber (aerial or underground)	165	The final 3.98 miles were constructed in Q414and our project is complete.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	40	VT BELL completed 40 interconnection points against a baseline of 3. We were able to connect to many wireless towers that were previously contemplated. Our project was completed on 12/31/14.

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	5
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	0
Average term of signed agreements (in quarters)	20

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: We have agreements with 5 wholesale and last mile providers.

Wholesale and last mile providers include: Earthlink, Topsham Telephone, Burlington Telecom, Wavecomm, and Light Tower (formerly Sidera) and it is important to note that all of these agreements were in place prior to

the BTOP project. Great Awk (formerly Finowen) was disconnected for non-payment.

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:

Internet Bandwidth in 8 speed tiers ranging from 1 - 10,000+ Mbps
 Transport services including Ethernet transport with 8 speed tiers ranging from 1 - 10,000+ Mbps; TDM, SONET and Wavelength transport services with circuits including but not limited to DS3, OC3, OC12, OC48, 2.5 Gig, and 10 Gig.

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 this third party operates (600 words or less).

We have not designated a third party to operate any or all of our network.

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	VT BELL has not signed any agreements with providers to receive new access in VTel's service area as these operators have not yet indicated any interest. Our baseline for this type of access was 3 and we have 0 new agreements.
	Providers with signed agreements receiving improved access	5	VT BELL signed agreements with five operators against the baseline of seven with one carrier disconnected for non-payment. A pre-existing provider is no longer under contract with us as they chose a different provider.
	Providers with signed agreements receiving access to dark fiber	0	We do not offer dark fiber.
	Please identify the speed tiers that are available and the number of subscribers for each	8	Mbps #1 1 - 99 - 3 subscribers (2 internet & 1 TDM transport) #2 100 - 199 - 0 subscribers #3 200 - 299 - 1 subscribers (1 internet) #4 500 - 999 - 1 subscriber (1 SONET Transport) #5 1,000 - 1,999 - 1 subscriber (1 Ethernet Transport) #6 2,000 - 4,999 - 2 subscribers (1 Internet & 1 Wavelength) #7 5,000 - 9,999 - 0 subscribers #8 10,000 + - 0 subscribers It is important to note that some providers elect multiple speed tiers so there is not a one to one correlation of agreements to speed tiers.
Community Anchor Institutions (including Government institutions)	Total subscribers served	125	VT BELL completed its project with 125 connected CAIs against a baseline of 108, connecting the final 14 CAIs in the last quarter of the project.
	Subscribers receiving new access	79	VT BELL competed its project with 79 new CAIs against a baseline of 61 with 14 new CAIs connected during the last quarter.
	Subscribers receiving improved access	46	VT BELL completed project with 46 improved CAIs against a baseline of 47.

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 or subscribers for each	7	<p>We have 7 pricing options available. We currently have the following number of CAI's served for each tier: (NOTE: We do not serve all of the connected CAI's so we can only report on those that we are providing service for)</p> <p>#1 - 1 10 to 25 Mbps #2 - 9 25 to 50 Mbps #3 - 0 50 to 100 Mbps #4 - 3 100Mbps to GigE #5 - 0 300 Mbps to GigE #6 - 18 GigE Spoke to any 25+ Mbps Hub #7 - 3 100 Mbps to GigE dedicated access Spoke to 25+ Mbps Hub</p> <p>One of the greatest challenges to the project has been CAI commitment. In some cases, identified CAI's have found reason to remain connected through existing providers at slower speeds. While a disappointment, it is also an opportunity. As our NTIA project rolled out, we have had various community entities seeking fiber connections and we continue to discuss our offerings and expect to convert many to subscribed customers.</p>
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).
 With all \$1,400 and \$2,500 packages we include off-site storage, transport to Internet2 and access to state-wide WAN

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	Are you also the broadband service provider	Narrative description of how anchor institutions are using BTOP-funded infrastructure

		baseline)	for this institution? (Yes / No)	
Chittenden South Supervisory Union	Shelburne, VT	Schools (K-12)	No	Schools are using BTOP funded infrastructure to enhance access to the internet for distance learning and participation across many varied learning portals
Dr. Charles Anderson	Colchester, VT	Medical & Healthcare Provider	No	Access to internet for on-line recordkeeping, faster access to hospital databases, faster access to reference materials and patient portals
Fletcher Allen Fanny Campus	Colchester, VT	Medical & Healthcare Provider	No	Access to internet for on-line recordkeeping, faster access to hospital databases, faster access to reference materials and patient portals
Griswold Special Care	Colchester, VT	Medical & Healthcare Provider	No	Access to internet for on-line recordkeeping, faster access to hospital databases, faster access to reference materials and patient portals
Jones Memorial Library	Orleans, VT	Libraries	No	Libraries are using BTOP funded infrastructure to enhance their offerings to members. Access to E-books, access to wireless and wired internet access within the facility has been expanded; on-line access to reference materials has grown rapidly and robustly.
Lake Region Senior Center	Barton, VT	Other Community Support Organizations	No	On-line presence for family members to check on offerings, health issues and access to client information. On-site availability for books, movies, photos and reference materials for clients. Enhanced connections to medical providers for access to prescriptions and health-related issues
Leach Public Library	Irasburg, VT	Libraries	No	Libraries are using BTOP funded infrastructure to enhance their offerings to members. Access to E-books, access to wireless and wired internet access within the facility has been expanded; on-line access to reference materials has grown rapidly and robustly.
Pierson Library	Shelburne, VT	Libraries	No	Libraries are using BTOP funded infrastructure to enhance their offerings to members. Access to E-books, access to wireless and wired internet access within the facility has been expanded; on-line access to reference materials has grown rapidly and robustly.
Richard C. Lyons	Winooski, VT	Medical & Healthcare Provider	No	Access to internet for on-line recordkeeping, faster access to hospital databases, faster access to reference materials and patient portals
Senior Tower	Winooski, VT	Other Community Support Organizations	No	On-line presence for family members to check on offerings, health issues and access to client information. On-site availability for books, movies, photos and reference materials for clients. Enhanced connections to medical providers for access to prescriptions and health-related issues
Shelburne Art Center and Craft School	Shelburne, VT	Community Support	No	Access to internet for project creation, artist study and reference materials to enhance the students ability to create artistic works. On-line reservations for camps, classes and parties is enhanced by a more reliable internet presence.
St. Michael's	Colchester, VT	Other Institutions of Higher Education	No	Schools are using BTOP funded infrastructure to enhance access to the internet for distance learning and participation across many varied learning portals. Colleges and Universities have the added benefit of on-line billing, on-line parent portals, on-line bookstores as the internet touches all facets of the student/institution relationship
Sunderland Elementary School	Sunderland, VT	Schools (K-12)	No	Schools are using BTOP funded infrastructure to enhance access to the internet for distance learning and participation across many varied learning portals
Union Memorial School	Colchester, VT	Schools (K-12)	No	Schools are using BTOP funded infrastructure to enhance access to the internet for distance learning and participation across many varied learning portals
Winooski Senior Citizens	Winooski, VT	Other Community Support Organizations	No	On-line presence for family members to check on offerings, health issues and access to client information. On-site availability for books, movies, photos and reference materials for clients. Enhanced connections to medical providers for access to prescriptions and health-related issues

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 Our project is completed and we will be working on closeout documents.

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	Our project is completed and we will be working on closeout documents.
2b.	Environmental Assessment	100	Our project is completed and we will be working on closeout documents.
2c.	Network Design	100	Our project is completed and we will be working on closeout documents.
2d.	Rights of Way	100	Our project is completed and we will be working on closeout documents.
2e.	Construction Permits and Other Approvals	100	Our project is completed and we will be working on closeout documents.
2f.	Site Preparation	100	Our project is completed and we will be working on closeout documents.
2g.	Equipment Procurement	100	Our project is completed and we will be working on closeout documents.
2h.	Network Build (all components - owned, leased, IRU, etc.)	100	Our project is completed and we will be working on closeout documents.
2i.	Equipment Deployment	0	N/A
2j.	Network Testing	100	Our project is completed and we will be working on closeout documents.
2k.	Other (please specify):	100	Our project is completed and we will be working on closeout documents.

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).
 Our project is complete and will be working on closeout documents.

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	\$50,000	\$15,000	\$35,000	\$41,346	\$12,404	\$28,942	\$41,346	\$12,404	\$28,942
b. Land, structures, right-of-ways, appraisals, etc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$1,220,000	\$366,000	\$854,000	\$1,121,382	\$336,415	\$784,967	\$1,121,382	\$336,415	\$784,967
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$70,000	\$21,000	\$49,000	\$75,673	\$22,702	\$52,971	\$75,673	\$22,702	\$52,971
g. Site work	\$2,749,347	\$824,804	\$1,924,543	\$2,687,753	\$806,326	\$1,881,427	\$2,687,753	\$806,326	\$1,881,427
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$3,860,779	\$1,158,234	\$2,702,545	\$4,000,913	\$1,200,274	\$2,800,639	\$4,000,913	\$1,200,274	\$2,800,639
j. Equipment	\$4,858,000	\$1,457,400	\$3,400,600	\$4,881,267	\$1,464,380	\$3,416,887	\$4,881,267	\$1,464,380	\$3,416,887
k. Miscellaneous	\$53,000	\$15,900	\$37,100	\$52,792	\$15,837	\$36,955	\$52,792	\$15,837	\$36,955
l. SUBTOTAL (add a through k)	\$12,861,126	\$3,858,338	\$9,002,788	\$12,861,126	\$3,858,338	\$9,002,788	\$12,861,126	\$3,858,338	\$9,002,788
m. Contingencies									
n. TOTALS (sum of l and m)	\$12,861,126	\$3,858,338	\$9,002,788	\$12,861,126	\$3,858,338	\$9,002,788	\$12,861,126	\$3,858,338	\$9,002,788

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: \$938,470	b. Program Income to Date: \$0
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