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** NT10BIX5570034	**3. DUNS Number** 141946322

4. Recipient Organization

DeltaCom, Inc. 7037 Old Madison Pike NW, Huntsville, AL 35806-2107

5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2010	**6. Is this the last Annual Report of the Award Period?** ◯ 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 Traci Jennifer Tidmore Regulatory	**7c. Telephone (area code, number and extension)** 2563827090
	7d. Email Address traci.tidmore@deltacom.com
7b. Signature of Certifying Official Submitted Electronically	**7e. Date Report Submitted (MM/DD/YYYY):** 02-17-2011

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)	N/A	The network is not deployed at this time.
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)	N/A	The network is not deployed at this time.
Maximum broadband speed advertised (Last Mile)	N/A	N/A
Average broadband speed provided (Middle Mile)	N/A	The network is not deployed at this time.
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
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)

N/A

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)	0	**Public Housing**	0
Libraries	0	**Other Institutions of Higher Education**	0
Medical and Healthcare Providers	0	**Other Community Support Organizations**	0
Public Safety Entities	0	**Other Government Facilities**	0
Community Colleges	0	**Total Community Anchor Institutions**	

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:

The network is still being deployed so services utilizing this network are not being provided at this time. DeltaCom is creating competitive middle mile pricing that enables connectivity for last mile provider networks. Additionally, DeltaCom will utilize last mile providers to enable direct DeltaCom services to public anchor institutions in select markets at a 20% discount below our list pricing for qualifying broadband services.

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)?
The network management policies for this specific project are being reviewed and will be ready prior to the launch of the network. DeltaCom adheres to the non-discrimination and interconnection requirements set forth in the NOFA. DeltaCom's service connects to the public Internet and is not an entirely private or closed network. DeltaCom promotes the open and interconnected nature of the public Internet, and believes consumers are entitled to access the lawful Internet content of their choice.

On our network, consumers are entitled to run applications and use services of their choice, subject to the needs of law enforcement. DeltaCom does not favor any Internet applications over any other Internet applications. Consumers are entitled to connect to our service via their choice of legal devices that do not harm the network. We believe consumers are entitled to competition among network providers, applications, service providers and content providers. DeltaCom employs generally accepted measures to provide acceptable service level to customers.

DeltaCom utilizes fair negotiation of interconnection agreements with carriers for the exchange of traffic and has multiple interconnection agreements and contracts currently in place. DeltaCom has a collocation process by which carriers may ask for interconnection and where DeltaCom seeks interconnection within other carrier's network. DeltaCom has a standard process in place for physical interconnection in order to evaluate and ensure the proper collocation experience for both parities. DeltaCom utilizes contract administration when the interconnection involves third party entities.

DeltaCom's IP network is a single network in which all customers are treated the same with respect to the handling of IP traffic. DeltaCom has software in the routers that allows us to monitor traffic that could cause harm to the operations of other carriers. DeltaCom also works with other carriers in the monitoring of IP traffic with the IP carriers we are interconnected.

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**
5,668	0	0	3,570	175	0	1,923

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

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).
Carriers can interconnect with DeltaCom's network at ILEC central offices defined as interconnection points in DeltaCom's award application.

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).
No subcontracts or sub grants have been made.

14. Please describe any best practices/lessons learned that can be shared with other similar BTOP projects (900 words or less).
DeltaCom utilizes a bifurcated award implementation approach and has a Project Director for Compliance and a Project Director for Operations. Using this approach has created a check and balance system for activities related to the award.