

RECIPIENT NAME: Buggs Island Telephone Cooperative

AWARD NUMBER: NT10BIX5570065

DATE: 02/20/2015

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 6/30/2015

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 NT10BIX5570065	3. DUNS Number 046251963
4. Recipient Organization Buggs Island Telephone Cooperative 100 Nellie Jones Road , Bracey, VA 23919-1732		
5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2014	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 Michele Taylor	7c. Telephone (area code, number and extension) 434-689-6300 X	
	7d. Email Address mtaylor@bitbroadband.com	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 02-20-2015	

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)	0	BIT is a last mile provider.
Average cost per household passed (Last Mile)	\$71.38	Although BIT's entire BTOP grant budget was \$23,958,697, BIT's budget for the revised LTE deployment was \$3,895,577.85, of which capital costs include \$2,192,754.12. BIT has estimated that the average cost per household passed is based on capital funding spent as of 12/31/14 divided by the number of households passed. BIT has projected to have the potential to serve 35,345 households included in the 5 county serving area but can only pass 30,720.
Average cost per subscriber (Last Mile)	\$5,335.17	Although BIT's entire BTOP grant budget was \$23,958,697, BIT's budget for the revised LTE deployment was \$3,895,577.85, of which capital costs include \$2,192,754.12. BIT has estimated that the average cost per subscriber is based on capital funding spent as of 12/31/14 divided by the total number of actual subscribers serviced of 411 by end of 2014.
Maximum broadband speed advertised (Middle Mile)	0	N/A
Maximum broadband speed advertised (Last Mile)	10 Mbps	BIT has advertised the maximum speeds to be delivered to residents to be 4 Mbps, 6 Mbps for CAIs and 10 Mbps for businesses with higher speed packages such as 12 Mbps available only if requested by the customer. This is not an advertised speed package.
Average broadband speed provided (Middle Mile)	0	N/A
Average broadband speed provided (Last Mile)	3 Mbps	BIT has estimated the average broadband speeds to be delivered to the end user to be 3 Mbps.

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
See additional spreadsheet sent with APR	Not Applicable	Not Applicable	Not Applicable

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)

BIT has transit agreements with Level 3 and Mid-Atlantic Broadband to use their circuits to reach NetAmerica' hosted core (SuperCenter) in Texas which connects the customer to the internet.

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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)	32	Public Housing	0
Libraries	12	Other Institutions of Higher Education	8
Medical and Healthcare Providers	31	Other Community Support Organizations	8
Public Safety Entities	25	Other Government Facilities	47
Community Colleges	0	Total Community Anchor Institutions	163

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).

BIT has connected one CAI, and for that CAI, broadband speeds went from 3 Mbps to 6 Mbps resulting in a 100% increase in speed at a lower cost. BIT anticipates an increase in speeds for the other 9 CAIs to be connected before the project end date because of better prices.

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:

BIT has a comprehensive offering of products and services at competitive prices. Included in the service offerings are wireless high-speed broadband, with voice, unlimited long distance, up to 10 calling features available in mid-2015. The minimum broadband high-speed internet available to the residents and businesses in the 5 county service area is 1.5 Mbps of service. Generally, residential and business subscribers have the option to upgrade to higher speed tiers for an additional monthly fee. BIT's monthly access rates to residential subscribers are between \$35 and \$60 per month for internet service based on the selected package. Business rates are between \$45 and \$200 per month based on the selected package. All subscribers are charged a monthly \$3.00 lease fee for the Customer Premise Equipment (CPE). See attachment that provides the specific pricing plans.

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)?

BIT utilizes a Policy Server that restricts users from receiving more bandwidth than their selected service package. VOIP services will have prioritization over all other traffic types once available in 2015.

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).

Deployment of service to subscribers began in Q3 2014 and as of the end of 2014, none of BIT's subscribers have dropped the broadband service provided through this project.

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
0	0	0	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:

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).

BIT does not have any wholesalers at this time. If BIT does resell services to other network providers, BIT would provide access to a customer provisioning database which would connect to BIT's network via a Virtual Private Network (VPN).

Customers connect to BIT's network using either a Customer Premise Equipment (CPE) or a User Equipment (UE) device that contains a SIM card.

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 important to thoroughly review all contracts and if possible, have amendments to the contracts that allow a means of termination if the products are not delivered as stated in the contract. Contract negotiations can lead to a tedious and lengthy process which can potentially delay your project milestones, so start the process as early as possible. Work closely with your vendors in order to have project milestones and the time line as precise as possible in order to meet the requirements you set forth in your BTOP application. Always make sure your quarterly and annual reports are filed on time. Delinquent reports affect your good standing and are unacceptable with the rules and regulations of your grant. Most importantly, make sure your leadership and staff is committed and dedicated to the project's success. An extreme amount of man hours go in to the successful implementation of your project, so be prepared. Have the essential staff dedicated for this purpose.

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).