

RECIPIENT NAME:Hardy Telecommunications, Inc.

AWARD NUMBER: NT10BIX5570035

DATE: 03/13/2012

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 NT10BIX5570035	3. DUNS Number 003428208
4. Recipient Organization Hardy Telecommunications, Inc. 2255 Kimseys Run RD, Lost River, WV 26810-8317		
5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2011	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 Sherry McCuller Managing Director	7c. Telephone (area code, number and extension) 8286759290	
	7d. Email Address peregrine@hughes.net	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 03-13-2012	

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)	\$19,217.18	(44.8%) Variance is due to difference in basis of calculation of Baseline Plan indicator compared to APR-2011 guidance. Baseline indicator was calculated based on total project costs, including equipment, professional services, and operational support systems. APR-2011 indicator guidance is to base calculation on labor and materials costs only of new middle mile network deployed.
Average cost per household passed (Last Mile)	0	NA
Average cost per subscriber (Last Mile)	0	NA
Maximum broadband speed advertised (Middle Mile)	0	Baseline Plan Indicator is 1-Gbps. Speed tiers associated with service plans for purchase have not yet been advertised -- deployment of backbone ring still in process. New construction of CAI laterals and drops not yet started. Delays due to section 106 review process requiring Phase 1 survey and archaeological shovel testing. Hardy has conducted marketing and outreach in newspaper stories, company website and company newsletter. The following is a link to Hardy's newsletter on the web with an article that can be downloaded. The newsletter was published in November, 2011: http://hardynet.net/images/stories/PDFs/Hardy_November_2011_newsletter_WEB.pdf
Maximum broadband speed advertised (Last Mile)	0	Baseline Indicator "N/A"
Average broadband speed provided (Middle Mile)	10	Backbone ring partially complete at 12-31-2011. Spans between 8 nodes constructed as of 12-31-2011, with 10-Gbps capacity turned up between nodes. At this time dedicated ethernet transport can be offered between nodes at 10, 50 and 100 Mbps up to 1 Gbps. New construction of laterals and drops to CAIs not yet started. Network upgraded to local schools, school administration office, and three cellular towers. Seven schools sites each receiving 10-Mbps dedicated ethernet transport service. Cellular carriers considering replacement or system upgrades for upstream TDM equipment to take advantage of low-cost high capacity ethernet service. Deployment delays are due to section 106 review process requiring Phase 1 survey and archaeological shovel testing.
Average broadband speed provided (Last Mile)	0	Baseline Indicator "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
Construction of new facility not yet started	N/A	N/A	NA

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)
 Hardy Telecommunications did not receive requests for interconnection during the annual reporting period.

Peering and Transit Agreements (600 words or less)

Hardy telecommunications did not receive requests for peering and transit agreements during the annual reporting period.

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)	8	Public Housing	0
Libraries	1	Other Institutions of Higher Education	1
Medical and Healthcare Providers	20	Other Community Support Organizations	19
Public Safety Entities	17	Other Government Facilities	31
Community Colleges	1	Total Community Anchor Institutions	98

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).

Pending backbone network completion, laterals and drops to anchor institutions, Hardy AnchorRing service is available for six schools, the school administration office, and three cellular towers. Prior to deployment, each school site received T1 transmission service at 1.544 Mbps second. Currently school sites are each receiving 10 Mbps transport service, for a capacity increase of approximately 548% over T1 service. Service is available to the schools up to 1 Gbps per site, an increase of approximately 66,221% over T1 service. Cellular carriers could obtain only T1 service to three tower sites. Two towers are served with two T1 lines each, or 3.088 Mbps per tower, and one tower is served one T1 line at 1.544 Mbps. Service up to 1 Gbps is now available to the towers, representing a capacity increase of approximately 33,061% or 66,221% depending upon number of T1 lines connected.

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:

Hardy AnchorRing offers from 10 Mbps to 1 Gbps service to connected community anchor institutions. Six local schools and the school administration office currently purchase 10 Mbps service per site for a total of 70 Mbps, a capacity increase of approximately 548% over T1 service at an increase in cost of only 63.1%. On March 30, 2012 a price decrease will go into effect for the schools, which will lower the schools' total cost of service by an additional 22.8%. At that time, the schools will be receiving 548% more capacity at only a 26.3% increase in cost over T1 service.

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)?

Hardy Telecommunications does not limit or block consumers from accessing any lawful content, service, service provider or application, or prevent any consumers from attaching any legal devices to the network. Network management practices are posted on Hardy's website at:
http://www.hardynet.com/images/stories/PDFs/HardyNet_Network_Management_Policies_Disclosure_11-11_Ver._2.pdf

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).

No broadband services provided through this project have been dropped or discontinued.

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
15,383	122	0	1,826	12,997	0	438

10. If you wholesale dark fiber, please list your wholesale customers and the number of fiber miles you currently are leasing to those customers:
Hardy Telecommunications has not received requests for wholesale dark fiber during the performance period.

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).
Not yet constructed.

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 contracts have been awarded to socially and economically disadvantaged small business concerns within the performance period. Hardy Telecommunications encourages qualified local small businesses of all types, including small disadvantaged, women-owned, veteran-owned, and service disabled veteran-owned small businesses, to respond to requests for proposals for construction and installation services in order to create more jobs within the local area. Hardy instructs contractors to be proactive in subcontracting to such small businesses.

14. Please describe any best practices/lessons learned that can be shared with other similar BTOP projects (900 words or less).
NTIA's web-based guidance sessions and drop-in calls have been very helpful to Hardy's project team members; Hardy encourages other BTOP recipients to take advantage of these sessions whenever possible. Networking with other BTOP recipients has been valuable to Hardy and its project team as a way to learn about progress of other projects, delays and suggestions for avoidance or mitigation, news of emerging risks, and suggestions to speed deployment, save time, and control costs.

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).