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	2. Award Identification Number	3. DUNS Number
Department of Commerce, National Telecommunications and Information Administration	NT10BIX5570065	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)	6. Is this the last Annual Report of the Award Period?
12-31-2013	◯ 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	7c. Telephone (area code, number and extension)
Michele Taylor	434-689-6300 X
	7d. Email Address
	mtaylor@bitbroadband.com
7b. Signature of Certifying Official	**7e. Date Report Submitted (MM/DD/YYYY):**
Submitted Electronically	02-05-2014

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)	$106.08	BIT has projected to begin the LTE construction in Q2 of 2014 so currently there is no commercially deployed service, however, BIT has estimated that the average cost per household passed will be based on the remaining funding 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 34,322.
Average cost per subscriber (Last Mile)	$2,261.34	BIT has projected to begin the LTE construction in Q2 of 2014 so currently there is no commercially deployed service, however, BIT has estimated that the average cost per subscriber will be based on the remaining funding divided by the number of subscribers predicted to be serviced by end of the project period. BIT has projected to have the potential to serve 35,345 households included in the 5 county serving.
Maximum broadband speed advertised (Middle Mile)	0	N/A
Maximum broadband speed advertised (Last Mile)	4 Mbps	As explained above, BIT has not begun to commercially deploy the service so no advertising has been done, however, BIT has anticipated the maximum speeds to be delivered to the end user to be 4 Mbps.
Average broadband speed provided (Middle Mile)	0	N/A
Average broadband speed provided (Last Mile)	1.5 Mbps	No commercial subscribers at the end of 2013, however, BIT has anticipated the average broadband speeds to be delivered to the end user to be 1.5 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 PPR	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)

BIT's equipment vendor ordered circuits in 12/2013 through Level 3 and Mid-Atlantic Broadband in order to connect BIT to the hosted core

(SuperCenter) in Texas.

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)	41	**Public Housing**	0
Libraries	13	**Other Institutions of Higher Education**	5
Medical and Healthcare Providers	32	**Other Community Support Organizations**	20
Public Safety Entities	39	**Other Government Facilities**	116
Community Colleges	2	**Total Community Anchor Institutions**	268

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).

Broadband speeds have not increased since the service has not been commercially ready. Construction for the retrofit to LTE is projected to begin in Q2 of 2014.

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 not yet begun offering broadband services commercially as of now, however, BIT has developed a comprehensive offering of products and services at competitive prices. Included in the service offerings will be wireless high-speed broadband, voice, unlimited long distance, up to 10 calling features. The minimum broadband high-speed internet that will be available to the residents and businesses in the 5 county service area will be 1.5 Mbps of service. Generally, residential and business subscribers will have the option to upgrade to 3.0 or 4.0 Mbps of service for an additional monthly fee. BIT estimates that the monthly access rates to residential subscribers will be between $30 and $60 per month for internet service based on the selected package. Business rates will be between $40 and $90 per month based on the selected package. All subscribers will be 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 will utilize a Policy Server that will restrict users from receiving more bandwidth than their selected service package. VOIP services will have prioritization over all other traffic types. BIT has not yet begun offering commercially deployed services. Construction for the retrofit to LTE is projected to begin in Q2 of 2014.

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).

Of BIT's remaining WiMAX customers, 50 out of 100 have dropped the service, even though they are not paying for the service, due to the WiMAX broadband service's inconsistencies, lack of reliability and quality, i.e.. interference issues. BIT plans to retrofit the remaining customers with LTE, once the network has been deployed, as beta testers for the new service.

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).

Other network providers can connect to BIT's network via a Virtual Private Network (VPN) using their current Internet Service Provider (ISP) for provisioning of subscriber services.

Customers would 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).