

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 NT10BIX5570076	3. DUNS Number 829946784
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4. Recipient Organization

 Vermont Telecommunications Authority One National Life Drive, Montpelier, VT 05602-3377

5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2013	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" 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 Erik Amalixsen Project Manager	7c. Telephone (area code, number and extension) 8028281795
	7d. Email Address eamalixsen@telecomvt.org

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-27-2013
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Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 As of September 30, SFC had obtained licenses for 96% of the estimated number of poles, up from 93% as of June 30. SFC's right-of-way contractor continued to research easements, obtain landowner consents, secure rail crossing and municipal highway work permits.
 Outside plant construction has continued as pole licenses, easements and other permits have been obtained. In this quarter 136 route miles of fiber were placed, bringing the total as of September 30 to 763 miles. 18 route miles of in-place fiber were obtained from another carrier with a remaining 46 route miles to be placed.
 Construction of laterals and entrances to CAI's were a primary focus this quarter, 236 locations ready to serve, and the remainder in process of splicing, testing, and service provisioning.
 AAR#5, which was 13 miles of fiber to connect another BTOP grant to a regionally stranded fiber network in the Northeast Vermont area, began and was completed in this quarter.

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	84	By the end of this reporting quarter, 763 miles of fiber had been placed. Overall spending during the quarter totaled \$5.8 million, as compared to \$12 million projected in the previous PPR, with a total of \$39.7 million spent to date. The project experienced a delay finalizing a dark fiber IRU, and a postponement of electronics orders for core route completion, which in turn resulted in lower-than-forecast OSP construction completion.
2b.	Environmental Assessment	49	Spending through the end of the quarter was in line with the 49% projected in the previous PPR.
2c.	Network Design	100	Engineering firms continued to assist with network design and overall project management. Design work during the quarter focused on CAI and POI entrance facilities.
2d.	Rights of Way	0	N/A. Expenditures for rights of way are budgeted under Network Design, consistent with NTIA project accounting guidance. However, SFC's right of way contractor continued during the quarter to obtain easements or other consents where required.
2e.	Construction Permits and Other Approvals	100	Nearly all remaining permits, including for railroad crossings, river crossings, interstate highway crossings, municipal and state roadway work permits, and land-use permits have been obtained.
2f.	Site Preparation	72	At the beginning of the quarter 93% of pole licenses had been received, all poles involved with the project had make-ready requests, and by the end of the quarter, had obtained licenses for 95%.
2g.	Equipment Procurement	100	Packet optical equipment was ordered and received.
2h.	Network Build (all components - owned, leased, IRU, etc)	73	Outside plant construction continued, as additional pole licenses, easements and other permits were obtained. During the quarter, 136 route miles of fiber were placed, bringing the total as of September 30 to 763 miles. An additional 18 route miles of in-place fiber were obtained from another carrier. Approximately 46 route miles remained to be placed. Construction of laterals and entrances to CAI's continues with work being released for construction. 236 locations are either in service ready or in service status, the remainder are in process of splicing, testing and provisioning.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2i.	Equipment Deployment	81	The primary activity in this category is preparation of conditioned collocation space. All collocation space has been fully prepared.
2j.	Network Testing	67	Although no budgeted expenses fall within this reporting category, a baseline projection for Network Testing has been made to reflect anticipated fiber testing and network verification. Network testing will follow completion of network segments. The near-term emphasis is on testing strands that enable service to CAI's.
2k.	Other (please specify): Administration	100	Administration of the project is in-going.

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).

Coordinating building access with over 300 CAI's and other property owners for construction, installation and follow-up testing have restrained the pace at which CAI's can be connected. Supplemental staff resources, added during 2Q2013, have helped accelerate the pace of completion and customer turn-up.

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	763	Contractors placed 136 route miles of cable during the quarter, bringing the total to 763 miles. The original baseline plan was to have 773 route miles constructed by the end of the quarter. The difference between actual and baseline deployment is the result of early delays previously reported. As a result of approved route modifications and refined network design plans, the overall construction increased to 809 route miles, which includes 13 miles due to AAR#5.
New network miles leased	18	During the quarter, SFC completed negotiations to obtain rights to 18 network route miles (IRU), as intended in the original baseline project plan.
Existing network miles upgraded	0	N/A
Existing network miles leased	172	During 2Q2013, a master service agreement and purchase order was entered for an indefeasible right to use these dark fiber strands. The hand off to use this fiber is expected in early November. The route is currently being "burned-in" for testing.
Number of miles of new fiber (aerial or underground)	763	Contractors placed 136 route miles during the quarter, and obtained additional permits and consents to enable completion of the project. As of September 30, approximately 46 route miles of fiber remained to be placed.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	16	The baseline plan included a total of 16 interconnection points, and a 17th was added with approval an AAR to be activated in the final quarter of the project.

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	

Indicators	
Number of signed agreements with broadband wholesalers or last mile providers	6
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	3
Average term of signed agreements (in quarters)	16

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:
 Cloud Alliance
 Educational Networks of America, Inc.
 Duncan Cable
 Southern Vermont Broadband Cooperative
 Vanu Coverage Co.
 WaveComm

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:
 GigE WAN Transport, and Direct Internet Access, Dark Fiber Lease in areas identified in AAR#5

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).
 Sovernet Fiber Corp., 5 Canal Street, Bellows Falls, VT 05101
 Subrecipient Sovernet will operate the Vermont FiberConnect 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	1	No variance from baseline plan.
	Providers with signed agreements receiving improved access	2	No variance from baseline plan.
	Providers with signed agreements receiving access to dark fiber	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	3	Speed tiers are customized to to need of individual need of broadband wholesaler or last mile provider, and can be as much as 100 Gbps.
Community Anchor Institutions (including Government institutions)	Total subscribers served	236	The level of CAI's served is lower than baseline due to overall make-ready and outside plant being less complete than projected in the original baseline plan. As network is completed, additional CAI's will be served.
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	236	The level of CAI's served is lower than baseline due to overall make-ready and outside plant being less complete than projected in the original baseline plan. As network is completed, additional CAI's will be served.
	Please identify the speed tiers that are available and the number or subscribers for each	2	Speed tiers are customized to individual customer need, and can be as much as 10 Gbps. CAI's currently using VFC services are utilizing GigE WAN Transport and Direct Internet Access services.
Residential / Households	Entities passed	0	N/A

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	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	32	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	32	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).

N/A

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 baseline)	Are you also the broadband service provider for this institution? (Yes / No)	Narrative description of how anchor institutions are using BTOP-funded infrastructure
NA	NA	NA	NA	CAI's connected during the reporting quarter (2Q2013) are listed in a separate attachment to the PPR.

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).

The project will be completed during 4Q2013. Construction of the Vermont FiberConnect network, and installation of facilities all remaining community anchor institutions and points of interconnection will be completed.

a. Pole owners will complete make-ready and issue pole attachment licenses for the remaining [5]% of poles.

b. All remaining permits and property owner consents will be obtained.

c. The remaining 46 miles of aerial plant will be placed.

d. Installation, testing and configuration of all remaining drops and entrances to anchor institutions and points of interconnection will be completed.

e. All remaining core network segments will be tested, configured and lit.

f. 97 CAI locations will be readied for service, bringing the total to 349.

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	The project will be completed during 4Q2013. Construction of the Vermont FiberConnect network, and installation of facilities all remaining community anchor institutions and points of interconnection will be completed.
2b.	Environmental Assessment	100	Additional expenses may be incurred as necessary if required for NTIA review of possible route modifications, or for archeological site assessments. The extent of such work is not known at this time, but are likely to be insignificant given the late stage of the project.
2c.	Network Design	100	Engineering firms will continue to assist SFC with network design and overall project management. Route surveys and network design for the entire project are substantially complete.
2d.	Rights of Way	0	N/A. Expenditures for rights of way are budgeted under Network Design, consistent with NTIA project accounting guidance. However, SFC's right of way contractor will obtain all remaining easements or other consents where required.
2e.	Construction Permits and Other Approvals	100	All remaining permits, including for railroad crossings, river crossings, interstate highway crossings, municipal and state roadway work permits, and land-use permits will be obtained during the quarter.
2f.	Site Preparation	100	Pole owners will issue pole attachment licenses and complete make-ready for the remaining [5]% of poles.
2g.	Equipment Procurement	100	Installation, testing and configuration of all remaining drops and entrances to anchor institutions and points of interconnection will be completed. All remaining core network segments will be lit, tested and configured.
2h.	Network Build (all components - owned, leased, IRU, etc.)	100	The remaining 46 miles of aerial plant will be placed. All remaining core network segments will be lit, tested and configured, as will electronics serving the remaining CAI locations.
2i.	Equipment Deployment	100	All remaining core network segments will be tested, configured and lit, as will be electronics to the remaining CAI locations.
2j.	Network Testing	100	Network testing is on-going, and will be completed during the quarter, as OSP construction is completed.
2k.	Other (please specify): Administration	100	Administration of the project is on-going, and will be completed during the quarter with the exception of award close-out.

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).

Construction of the remaining 46 route miles is dependent on timely completion of make-ready by pole owners and third-party attachees. While the remaining mileage is much smaller than in quarters past, the possibility remains that pole owner and attachee construction resources could be diverted to address severe weather events that cause widespread damage to other utility plant.

Splicing, optical testing, field inspection and verification for those network segments all follow placement of fiber cable. Timing of completion is dependent on the quality of the OSP contractors' initial fiber splicing.

Installation, testing and equipment configuration at CAI premises continues requires several trips to customer premises, most of which need to be coordinated with property managers and IT staff of the CAI. Nearly all CAI's look forward to using the upgraded services. Nonetheless, SFC's ability to complete every installation and test every circuit during the award period will depend on coordination of schedules and timely access to CAI premises.

In summary, barring a major unforeseen event, VFC meets its award obligations to make service available to all CAI's and points of interconnection by the end of 4Q2013.

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	\$1,956,141	\$590,272	\$1,365,869	\$1,817,373	\$549,568	\$1,267,805	\$1,935,706	\$584,142	\$1,351,564
b. Land, structures, right-of-ways, appraisals, etc.	\$1,151,500	\$345,450	\$806,050	\$800,533	\$240,160	\$560,373	\$983,337	\$295,001	\$688,336
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$3,017,040	\$905,112	\$2,111,928	\$2,152,945	\$645,883	\$1,507,062	\$2,870,796	\$861,238	\$2,009,558
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$3,400,000	\$1,020,000	\$2,380,000	\$3,455,526	\$1,036,658	\$2,418,868	\$3,671,926	\$1,101,578	\$2,570,348
g. Site work	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$30,720,083	\$9,216,025	\$21,504,058	\$22,393,531	\$6,718,060	\$15,675,471	\$26,892,602	\$8,207,711	\$18,684,891
j. Equipment	\$7,522,996	\$2,584,499	\$4,938,497	\$8,864,995	\$2,659,499	\$6,205,496	\$10,633,021	\$3,189,906	\$7,443,115
k. Miscellaneous	\$410,000	\$123,000	\$287,000	\$532,603	\$159,781	\$372,822	\$880,269	\$264,081	\$616,188
l. SUBTOTAL (add a through k)	\$48,177,760	\$14,784,358	\$33,393,402	\$40,017,506	\$12,009,609	\$28,007,897	\$47,867,657	\$14,503,657	\$33,364,000
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$48,177,760	\$14,784,358	\$33,393,402	\$40,017,506	\$12,009,609	\$28,007,897	\$47,867,657	\$14,503,657	\$33,364,000

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: \$0	b. Program Income to Date: \$0
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