

RECIPIENT NAME: Vermont Telecommunications Authority

AWARD NUMBER: NT10BIX5570076

DATE: 03/20/2015

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 6/30/2015

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

4. Recipient Organization

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

5. Current Reporting Period End Date (MM/DD/YYYY)

03-31-2014

6. Is this the last 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

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):

03-20-2015

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).

One CAI location was connected during the quarter. 307 out of the total 316 CAI locations are in service or ready to serve with 9 remaining in the project to complete. This quarter work efforts were still concentrated on obtaining permits and property access agreements or easements for the remaining points of interconnection, none of which are accessible via existing utility rights of way. At the end of the quarter, permits and access consents had been obtained for 7 of the remaining 27 interconnection points.

Outside plant construction, installation, testing and configuration of the network continued during this quarter. SFC's resident engineers continued field inspections of constructed plant, and verified that punch-list items previously identified had been corrected or otherwise resolved by construction contractors. Digitization of as-built documentation of the network continued during the 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	95	Overall spending during the quarter totaled \$0.73 million, as compared to \$1.79 million projected in the previous PPR, with a total of \$45.46 million spent to date. Nearly all of the \$1.06M variance between actual and projected spending during the quarter resulted from deferred purchases of electronic equipment that will be received, installed and configured during the next quarter.
2b.	Environmental Assessment	49	Route surveys for the entire project are complete with the exception of some small segments to reach the final POIs.
2c.	Network Design	100	Rights of way necessary for completion of the project were obtained during the quarter. Expenditures for rights of way are budgeted under Network Design, consistent with NTIA project accounting guidance.
2d.	Rights of Way	0	N/A. Expenditures for rights of way are budgeted under Network Design, consistent with NTIA project accounting guidance.
2e.	Construction Permits and Other Approvals	100	Nearly all remaining permits, including railroad crossings, river crossings, interstate highway crossings, municipal and state roadway work permits, and land-use permits have been obtained.
2f.	Site Preparation	73	Substantially all pole attachment licenses required for the project have been obtained.
2g.	Equipment Procurement	100	Installation, configuration and launch of routers and DWDM nodes continued during the quarter. Network equipment was ordered and received.
2h.	Network Build (all components - owned, leased, IRU, etc)	84	An entrance to 1 CAI location was completed during the quarter which brings the total currently connected to 307 out of the 316 total in the project. Connectivity to 9 CAIs and 27 POI's remain to be completed. Network testing has followed completion of network segments. This quarter testing fiber strands has been significant amount of time spent.
2i.	Equipment Deployment	86	The primary activity in this category is preparation of a conditioned collocation space. All collocation space has been fully prepared.
2j.	Network Testing	0	This budget category has been included in line 2h above. Network testing continues through this period
2k.	Other (please specify):	100	Administration of the project is on-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).

As expected at the beginning of this quarter, cold temperatures and snow cover limited the ability to complete the small amount of outside plant that was otherwise ready to construct. Right of way activity was concentrated on obtaining consents from property owners necessary to reach the final POIs that remain to be completed. Fewer property owners granted easements or access consents than were projected at the outset of the quarter. It is our objective to obtain property owner consents during 2Q2014 for the remaining

27 POIs, or an Award Action Request will be submitted to move the service demarcation points for the remaining points.

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	813	The original baseline plan was to have 773 route miles constructed by the end of the quarter. Actual network miles deployed differs slightly from the baseline plan due net effect of route changes approved by NTIA, as well as differences between original route length estimates and "actuals" based on as-built plans.
New network miles leased	193	Variance of +1 mile relative to baseline plan due to error in preliminary estimate.
Existing network miles upgraded	0	N/A
Existing network miles leased	0	
Number of miles of new fiber (aerial or underground)	1,006	The combination of both new network fiber miles built and new leased fiber miles.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	82	The initial baseline for interconnection points was 16, which excluded interconnection points at cell sites. No new POIs were completed in 1Q2014. However, a VTA review of POI site locations has identified an error in the number of cumulative completed POIs reported in 4Q2013 (88 POIs). VTA has identified that the correct number should have been 82, which is reported here. The list of 82 POIs is documented as an attachment to this PPR filing.

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	
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:
 [Redacted]

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 are offered by subrecipient Sovernet Fiber Corp over the Vermont FiberConnect Network.
 Dark fiber is offered through Dark Fiber Lease with the VTA between Guildhall VT and Bloomfield VT
 Price descriptions included in the files attached to this report called "VTA FiberConnect Rate Sheet.pdf" and "VTA Wholesale Dark Fiber Rate Table.pdf".

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).

NEW HAMPSHIRE OPTICAL SYSTEMS, Inc. is the operating entity of the dark fiber segment between Guildhall VT and Bloomfield VT. Contact info: Darren LaCroix, dlacroix@10xtactics.com, NEW HAMPSHIRE OPTICAL SYSTEMS, Inc. 10 N. Southwood Drive, Nashua NH 03063

All other elements of the network are owned and operated by Subrecipient, Sovernet Fiber Corp..

Contact info at Sovernet: Lawrence Lackey, LLackey@sover.net, 5 Canal Street, Bellows Falls, VT 05101-0495.

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	4	The baseline of 1 was exceeded by 3 due to the fact the project was extended and more providers signed agreements. There are still wholesale providers with signed agreements that have circuits pending activation due to contract term expirations.
	Providers with signed agreements receiving improved access	2	No variance from baseline plan. There are still wholesale providers with signed agreements that have circuits pending activation due to contract term expirations.
	Providers with signed agreements receiving access to dark fiber	0	The VTA's dark fiber offering in the Essex County area currently does not have any contracts under negotiation as the northern terminus is waiting on a fiber build by the regional electric utility to be completed. There are four rate levels based on term length for dark fiber IRU in the Essex County fiber route. Currently this route has no IRU contracts executed.
	Please identify the speed tiers that are available and the number of subscribers for each	30	Speed tiers are customized based on the need of need of broadband wholesaler or last mile provider, up to 100 Gbps. These service tiers are various levels of bandwidth connections for last mile providers. Sovernet also services CAIs via resellers & last mile providers at the speeds shown below for CAIs so there is the potential for this total to grow if a last mile provider or wholesaler takes another level of service. The service tiers identified in the service tier rate sheet is not restricted to any customer type. It is also more logical that only a wholesale / last mile provider will subscribe to a transport type service tier. Dedicated Internet Access Service (Mbps, Committed-Rate, Symmetric) : # of Subscribers: 10 Mbps: [redacted] 20 Mbps: [redacted] 25 Mbps: [redacted] 30 Mbps: [redacted] 40 Mbps: [redacted] 50 Mbps: [redacted] 100Mbps: [redacted] 200 Mbps: [redacted] 300 Mbps: [redacted] 400 Mbps: [redacted] 500 Mbps: [redacted] 600 Mbps: [redacted] 700 Mbps: [redacted] 750 Mbps: [redacted] 800 Mbps: [redacted] 900 Mbps: [redacted] 1,000 to 10,000 Mbps: [redacted] Ethernet WAN Service: Committed Information Rate / Port Speed (in Mbps) : # of Subscribers 25 / 1,000 Mbps: [redacted] 50 / 1,000 Mbps: [redacted] 100 / 1,000 Mbps: [redacted] 200 / 1,000 Mbps: [redacted]

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
			<p>300 / 1,000 Mbps: [REDACTED] 400 / 1,000 Mbps: [REDACTED] 500 / 1,000 Mbps: [REDACTED] 600 / 1,000 Mbps: [REDACTED] 700 / 1,000 Mbps: [REDACTED] 750 / 1,000 Mbps: [REDACTED] 800 / 1,000 Mbps: [REDACTED] 900 / 1,000 Mbps: [REDACTED] 1,000 / 1,000 Mbps: [REDACTED]</p> <p>There no speed tiers associated with dark fiber as it is not applicable.</p>
<p>Community Anchor Institutions (Including Government institutions)</p>	<p>Total subscribers served</p>	<p>307</p>	<p>VTA's CAI baseline is 342. Its end of project target CAI count is 316. In addition, [REDACTED] 32 medical offices/clinics [REDACTED]</p> <p>One additional CAI was connected this quarter to bring the total connected to 307.</p>
	<p>Subscribers receiving new access</p>	<p>307</p>	<p>One additional CAI was connected this quarter.</p>
	<p>Subscribers receiving improved access</p>	<p>0</p>	<p>N/A</p>
	<p>Please identify the speed tiers that are available and the number or subscribers for each</p>	<p>30</p>	<p>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 Dedicated Internet Access services. [REDACTED] of the 307 connected CAIs are taking service in the following tiers: (note that [REDACTED] CAIs take both Dedicated Internet Service and WAN services).</p> <p>Dedicated Internet Access Service: (Service speed : # of CAI's Subscribed) 10 Mbps: [REDACTED] 20 Mbps: [REDACTED] 25 Mbps: [REDACTED] 30 Mbps: [REDACTED] 40 Mbps: [REDACTED] 50 Mbps: [REDACTED] 100Mbps: [REDACTED] 200 Mbps: [REDACTED] 300 Mbps: [REDACTED] 400 Mbps: [REDACTED] 500 Mbps: [REDACTED] 600 Mbps: [REDACTED] 700 Mbps: [REDACTED] 750 Mbps: [REDACTED] 800 Mbps: [REDACTED] 900 Mbps: [REDACTED] 1,000 to 10,000 Mbps: [REDACTED]</p> <p>Ethernet WAN Service: (Service speed / Port Speed : # of CAI's) 25 / 1,000 Mbps: [REDACTED] 50 / 1,000 Mbps: [REDACTED] 100 / 1,000 Mbps: [REDACTED] 200 / 1,000 Mbps: [REDACTED] 300 / 1,000 Mbps: [REDACTED] 400 / 1,000 Mbps: [REDACTED] 500 / 1,000 Mbps: [REDACTED] 600 / 1,000 Mbps: [REDACTED] 700 / 1,000 Mbps: [REDACTED] 750 / 1,000 Mbps: [REDACTED] 800 / 1,000 Mbps: [REDACTED] 900 / 1,000 Mbps: [REDACTED]</p>

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
			1,000 / 1,000 Mbps: ●
Residential / Households	Entities passed	0	N/A
	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	0	N/A
	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

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
Central Vermont Medical Center	Berlin	Medical or Healthcare Providers	Yes	Enables institutional WAN, Internet Connectivity, access to electronic health records and telemedicine.

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
- a. Construction to all but 9 currently-designated CAIs and 27 POIs have been completed. If consent of a property owner cannot be obtained for construction and ongoing access to the remaining CAI / POI locations, an Award Action Request will be submitted to remove the CAI locations from the project and move the POI demarc locations of remaining points to the closest utility pole that has already been built out to. It is anticipated that construction will be completed during 2Q2014, although a portion may extend in to 3Q2014.
 - b. Installation, testing and configuration of network electronics will continue in order to enable the network's full capabilities.

c. Project engineers will continue to document the completed network on "as-built" plans, and to load strand assignments and other network information into the network inventory platform.

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	99	Remaining permits and property owner consents will be obtained during 2Q2014 for the remaining 27 points of interconnection, or an Award Action Request will be submitted to move the demarc locations of any remaining points. In most instances, construction will be completed during 2Q2014, although a portion may extend in to 3Q2014. Installation, testing and configuration of network electronics will continue in order to enable the network's full capabilities. Project engineers will continue to document the completed network on "as-built" plans, and to load strand assignments and other network information into the network inventory platform.
2b.	Environmental Assessment	49	Additional expenses 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 land-use permits and for interstate highway crossings will be obtained during the quarter.
2f.	Site Preparation	75	Complete.
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.)	86	Construction will continue on laterals to reach the remaining POIs. All remaining core network segments will be lit, tested and configured.
2i.	Equipment Deployment	100	All remaining core network segments will be lit, tested and configured.
2j.	Network Testing	0	This budget category has been included in line 2h above. Network testing continues through this period. Network testing is on-going until all construction is completed and any performance defects identified during contract close-out and testing are corrected.
2k.	Other (please specify): Administration	100	Administration of the project is on-going, and will be completed during the next two quarters 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).

The key activity during the next quarter is to obtain right-of-way consents for access to the remaining points of interconnection. This is requiring case-by-case negotiations with property owners, some of which may not result in agreements that allow for construction. An Action Award Request is likely to be submitted during the quarter, to remove or move points of interconnection for which property owner consent has not been obtained.

This quarter's reported expenditures incorporate an adjustment to the equipment line item for expenditures reported in prior quarters. Between April 2013 and February 2014 Sovernet recorded \$236,843.04 in expenses for certain customer-premise equipment that provides an interface between the fiber optic transport network and the customer's internal network. Of this amount, \$214,060.42 has been reported in prior quarters as a grant-eligible expense: \$202,566.00 in the Q2 2013 report, \$3,234.42 in the Q3 2013 report, and \$8,260.00 in the Q4 2013 report. In February 2014, Sovernet determined that the equipment could not be utilized by the Vermont Fiber Link project. On February 28, 2014, Sovernet recorded a reduction of \$236,843.04 in equipment costs in the project general ledger as a reduction in allowable project costs and a liability due back to the project. On March 20, 2014, Sovernet made a deposit in this amount into the project's bank account to pay the liability.

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The equipment actuals reported in 1Q2014 are less than the equipment actuals reported in 4Q2013 because \$236,843.04 was credited to this line item against total equipment charges for the quarter of \$155,010.04, leaving a net decrease of \$81,833 for the period.

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	\$2,225,322	\$672,016	\$1,553,306	\$2,255,270	\$680,815	\$1,574,455
b. Land, structures, right-of-ways, appraisals, etc.	\$1,151,500	\$345,450	\$806,050	\$808,436	\$242,531	\$565,905	\$859,436	\$257,831	\$601,605
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	\$2,495,715	\$748,714	\$1,747,001	\$2,974,335	\$892,300	\$2,082,035
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	\$3,496,652	\$1,048,996	\$2,447,656	\$3,496,652	\$1,048,996	\$2,447,656
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	\$25,546,341	\$7,663,903	\$17,882,438	\$26,179,904	\$7,853,971	\$18,325,933
j. Equipment	\$7,522,996	\$2,584,499	\$4,938,497	\$9,864,077	\$2,959,223	\$6,904,854	\$9,964,079	\$2,989,224	\$6,974,855
k. Miscellaneous	\$410,000	\$123,000	\$287,000	\$1,028,143	\$308,443	\$719,700	\$1,028,143	\$308,443	\$719,700
i. SUBTOTAL (add a through k)	\$48,177,760	\$14,784,358	\$33,393,402	\$45,464,686	\$13,643,826	\$31,820,860	\$46,757,819	\$14,031,580	\$32,726,239
m. Contingencies									
n. TOTALS (sum of l and m)	\$48,177,760	\$14,784,358	\$33,393,402	\$45,464,686	\$13,643,826	\$31,820,860	\$46,757,819	\$14,031,580	\$32,726,239

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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