

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 NT10BIX5570065	3. DUNS Number 046251963
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4. Recipient Organization

 Buggs Island Telephone Cooperative 100 Nellie Jones Road , Bracey, VA 23919-1732

5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2015	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 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): 05-18-2015
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Project Indicators (This Quarter)

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

1) The expansion of coverage on three towers is underway. Equipment has been received, installed on the Clarksville tower, and waiting on the final scripting work to be completed by the equipment vendor before optimization can be done. The expansion of coverage on the three towers was also delayed due to constant inclement weather but is expected to be completed during Q2 2015.

3) Implementation of the Marketing Plan continues and is delivering exceptional results.

4) Customer installs continue and are increasing in numbers.

5) In March 2015 the Grants Office gave the approval to a partial disposition of the abandoned WiMAX equipment that was submitted by BIT that identifies the plan of action for the disposition of the abandoned WiMAX equipment; the partial approval was for a small amount of the equipment and the additional request for the remaining equipment is pending approval by the Grants Office.

6) BIT requested a no-cost nine month extension from NTIA in an effort to: a) successfully complete the LTE retrofit of the Alberta Tower, b) install additional equipment on three of the ten towers to expand signal strength and reach additional customers located in the tower service area, and c) capture and install the 1,600 customers as proposed in the Revised Broadband Plan dated 9/2013; the extension request was formally approved by the Grants Office in March 2015.

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	98	A no-cost nine month extension request was submitted by BIT to complete tower optimization and commercial deployment of the Alberta Tower, to install additional equipment on three of the ten towers to expand signal strength to additional customers located in the tower service area and to capture and install the 1,600 customers as proposed in the Revised Broadband Plan dated 9/2013; the extension request has been formally approved.
2b.	Environmental Assessment	100	No Variance
2c.	Network Design	100	No Variance
2d.	Rights of Way	0	Not Applicable
2e.	Construction Permits and Other Approvals	97	No Variance
2f.	Site Preparation	100	No Variance
2g.	Equipment Procurement	85	No Variance
2h.	Network Build (all components - owned, leased, IRU, etc)	0	Not Applicable
2i.	Equipment Deployment	99	No Variance
2j.	Network Testing	100	No Variance
2k.	Other (please specify):	93	The budget items included in this category are: 1) Admin and Legal, 2) Demolition & Removal, 3) Project Inspection, 4) Monthly Tower Lease Payments and Back Rent Settlements, 5) Monthly Backhaul Fees, 6) Community Outreach, and 7) Fiber (In-Kind Match)

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).

Since BIT received the no-cost grant extension approval from the Grants Office, challenges as far as draw approvals and reporting have improved. BIT struggled to achieve completion of the additional equipment on three towers due to constant inclement weather during Q1. The weather conditions also delayed customer installs slightly.

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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	23	The 23 miles includes microwave links between Lawrenceville to South Brunswick and Jetersville to Earls.
New network miles leased	0	Not Applicable
Existing network miles upgraded	0	Not Applicable
Existing network miles leased	0	Not Applicable
Number of miles of new fiber (aerial or underground)	0	Not Applicable
Number of new wireless links	2	Includes links as listed above in the network miles description.
Number of new towers	0	All wireless network towers are leased by BIT, now owned so the count will remain at 0.
Number of new and/or upgraded interconnection points	0	Not Applicable

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	0
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	0
Average term of signed agreements (in quarters)	0

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:
To date BIT has zero signed agreements. Working to deploy the network has been the highest priority for BIT. BIT is prepared to provide access to its network to wholesale or retail providers. BIT has a wholesale agreement in place for interested providers.

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:
At this time, BIT provides no wholesale services but plans are underway to do so in the future.

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 third party operates (600 words or less).
1) NetAmerica, the LTE provider for BIT and a contractor, will operate the hosted core (SuperCenter) in Houston, Texas. Contact information: Chuck Harris, 888.686.2747.
2) Panhandle Telephone, who is an alliance member of NetAmerica and a subcontractor, will operate the Converged Regional Core, which is part of the hosted core that is located in Guymon, Oklahoma. Contact information: Travis Clark, 800.562.2556.

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)

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	0	None
	Providers with signed agreements receiving improved access	0	None
	Providers with signed agreements receiving access to dark fiber	0	Not Applicable
	Please identify the speed tiers that are available and the number of subscribers for each	0	None
Community Anchor Institutions (including Government institutions)	Total subscribers served	1	BIT has projected to serve 10 CAIs by the end of the project.
	Subscribers receiving new access	1	BIT has projected to serve 10 CAIs by the end of the project.
	Subscribers receiving improved access	0	None
	Please identify the speed tiers that are available and the number of subscribers for each	5	By the end of Q1-2015, BIT had one (1) Community Anchor Institution customer installed and receiving service. The speed tiers offered, depending on availability, include 1.5 Mbps, 3 Mbps, 4 Mbps, and 6 Mbps. This customer is receiving 6 Mbps.
Residential / Households	Entities passed	30,720	BIT has projected the potential to reach 30,720 of the 35,345 households included in the 5 county serving area given signal coverage.
	Total subscribers served	509	By the end of Q1 BIT has installed 509 customers who are receiving service.
	Subscribers receiving new access	509	By the end of Q1 BIT has installed 509 customers who are receiving service.
	Subscribers receiving improved access	0	None
	Please identify the speed tiers that are available and the number of subscribers for each	4	By the end of Q1 2015 BIT had 509 residential customers installed and receiving service. The speed tiers offered, depending on availability, include 1.5 Mbps, 3 Mbps, 4 Mbps, and 6 Mbps. 113 customers are receiving 1.5 Mbps, 207 customers are receiving 3 Mbps, 180 customers are receiving 4 Mbps and 9 customers are receiving 6 Mbps.
Businesses	Entities passed	1,589	BIT has projected the potential to reach 1,589 of the 1,828 businesses included in the 5 county serving area given signal coverage.
	Total subscribers served	11	By the end of Q1 BIT has installed 11 business customers who are receiving service.
	Subscribers receiving new access	11	By the end of Q1 BIT has installed 11 business customers who are receiving service.
	Subscribers receiving improved access	0	None
	Please identify the speed tiers that are available and the number of subscribers for each	5	By the end of Q1-2015, BIT had 11 business customers installed and receiving service. The speed tiers offered, depending on availability, include 1.5 Mbps, 3 Mbps, 4 Mbps, 10 Mbps and 12 Mbps. 1 of the businesses is receiving 1.5 Mbps, 4 businesses are receiving 3 Mbps, 3 are receiving 4 Mbps, 2 are receiving 10 Mbps and 1 is receiving 12 Mbps.

7. Please describe any special offerings you may provide (600 words or less).

Buggs Island Telephone Cooperative offers discounted rates to Community Anchor Institutions by charging residential rates instead of business rates. BIT will also offer broadband services to community parks in exchange for advertising BIT's services.

8a. Have your network management practices changed over the last quarter? Yes No

8b. If so, please describe the changes (300 words or less).

No changes to report.

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
None this quarter	n/a	n/a	n/a	n/a

Project Indicators (Next Quarter)

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

- 1) The next round of direct marketing materials will be mailed offering a special promotion to sign up for service.
- 2) BIT plans to attend local chamber of commerce meetings to help promote the BTOP wireless broadband offering throughout the five county serving area. BIT would also like to attend community events in order to demonstrate and promote broadband in areas that are un-served or under-served.
- 3) A new BIT website will be completed that has a comprehensive section on BIT's BTOP project, it's services and area availability. A potential customer will also be able to sign up for service directly from the website.
- 4) BIT plans to contact local community anchor institutions to make them aware of BIT's broadband services which offers discounted rates. BIT plans to connect an additional 9 CAI's during this quarter.
- 5) Additional CPE will be ordered to maintain the install schedule which will include adding approximately 200 additional households, 9 CAI's and 20 businesses.
- 6) Completion of additional equipment on three towers to more effectively reach identified potential customers.
- 7) The disposition request for disposal of the remaining WiMAX equipment will be approved by the Grants Office. Approved disposal of equipment will be delivered and transferred to the appropriate entities.

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	No Variance
2b.	Environmental Assessment	100	No Variance
2c.	Network Design	100	No Variance
2d.	Rights of Way	0	Not Applicable
2e.	Construction Permits and Other Approvals	97	No Variance
2f.	Site Preparation	100	Not Applicable
2g.	Equipment Procurement	86	No Variance
2h.	Network Build (all components - owned, leased, IRU, etc.)	0	Not Applicable
2i.	Equipment Deployment	100	No Variance
2j.	Network Testing	100	No Variance
2k.	Other (please specify):	99	No Variance

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).

BIT does not anticipate any issues during the next quarter that would either delay or impact the planned progress against the project milestones. BIT now continues to stay on track with the project and continues its efforts in gaining customers.

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	\$577,693	\$49,417	\$528,276	\$468,546	\$24,191	\$444,355	\$494,946	\$24,191	\$470,755
b. Land, structures, right-of-ways, appraisals, etc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$1,088,131	\$315,040	\$773,091	\$994,850	\$314,025	\$680,825	\$996,916	\$316,091	\$680,825
e. Other architectural and engineering fees	\$152,144	\$123,289	\$28,855	\$172,226	\$126,769	\$45,457	\$172,226	\$126,769	\$45,457
f. Project inspection fees	\$106,695	\$43,810	\$62,885	\$95,745	\$41,250	\$54,495	\$95,745	\$41,250	\$54,495
g. Site work	\$393,825	\$2,958	\$390,867	\$387,820	\$4,683	\$383,137	\$387,820	\$4,683	\$383,137
h. Demolition and removal	\$67,871	\$9,603	\$58,268	\$67,871	\$9,603	\$58,268	\$67,871	\$9,603	\$58,268
i. Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$19,824,590	\$3,737,155	\$16,087,435	\$19,537,435	\$3,612,479	\$15,924,956	\$19,741,794	\$3,625,642	\$16,116,152
k. Miscellaneous	\$1,747,748	\$693,777	\$1,053,971	\$1,695,079	\$651,371	\$1,043,708	\$1,826,258	\$663,636	\$1,162,622
l. SUBTOTAL (add a through k)	\$23,958,697	\$4,975,049	\$18,983,648	\$23,419,572	\$4,784,371	\$18,635,201	\$23,783,576	\$4,811,865	\$18,971,711
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$23,958,697	\$4,975,049	\$18,983,648	\$23,419,572	\$4,784,371	\$18,635,201	\$23,783,576	\$4,811,865	\$18,971,711

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: \$139,031
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