

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 NT10BIX5570025	3. DUNS Number 807871632
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4. Recipient Organization

Zayo Bandwidth, LLC 901 Front Street Suite 200, Louisville, CO 80027-1839

5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2011	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 David Lundy	7c. Telephone (area code, number and extension) 3039477052
	7d. Email Address dlundy@zayo.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-05-2011
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Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 3 Engineering firms have completed about 85% of Engineering Computer Aided Drafting work and have submitted about 65% of the required pole attachment permit applications. There is about a 60 day turnaround time for pole permits. Some are just now coming in. In January we sent out the RFP for the Archeological requirements per the PA between Zayo the Indiana SHPO and BTOP. Our Archeological firm is about 70% done with the work required by the Progamatic Agreement. Zayo went through the materials Request For Proposal (RFP) process for materials. Bids are due back in early April. Sent out a RFP for a consultant for one of our pole providers. Zayo needed a consultant to work with one of our pole providers on our pole permit applications. Bids are due in early April. Zayo should have enough permits come in this April so that we can start construction on segments in May.

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	5	This is behind our baseline because of delays in permitting and ordering materials. Even though we are ahead overall on permitting, we cannot build a segment until we have all of the permits for a segment.
2b.	Environmental Assessment	100	This is in line with our baseline.
2c.	Network Design	85	Zayo is ahead of our baseline on this. This is because Zayo has hired 3 Engineering Firms and they are moving very quickly.
2d.	Rights of Way	40	Zayo is ahead of our baseline on this because we combined this with our engineering.
2e.	Construction Permits and Other Approvals	20	Zayo is ahead of our baseline on this because we combined this with our engineering.
2f.	Site Preparation	0	Zayo is behind on this because this ties into engineering and selecting the required sites. Now that Zayo is getting permits, this will take place next quarter.
2g.	Equipment Procurement	2	Zayo has started purchasing fiber. This was already competitively bid and awarded. Zayo has started ordering. We are behind from our baseline because we are just now awarding our contract for other required materials.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	N/A
2i.	Equipment Deployment	0	Zayo is behind because of the delay in awarding the materials contract sited in 2g above.
2j.	Network Testing	0	N/A
2k.	Other (please specify):	0	N/A

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).
 Zayo's biggest issue has been dealing with some of the smaller utilities we need pole attachment agreements with. Many of these smaller companies are understaffed and were not prepared to process the volume of permits that we need.

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	0	N/A
New network miles leased	0	N/A
Existing network miles upgraded	0	N/A
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	0	N/A
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	N/A

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: N/A

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:

This project is a middle mile project. The Wholesale services will be provided by the last mile service providers.

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).

N/A

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	0	N/A
	Providers with signed agreements receiving improved access	0	N/A
	Providers with signed agreements receiving access to dark fiber	0	N/A

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Community Anchor Institutions (including Government institutions)	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 or subscribers for each	0	N/A
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).
 Zayo is a middle mile provider and special offerings will be made by last mile providers.

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

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
0	N/A	N/A	No	N/A

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 Next quarter Zayo should award our materials contract, start purchasing and deploying equipment, start site preparation and start construction on some segments.

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	12	This is 5% below our baseline but we should be able to catch up once our permits come in and we start ordering materials and start construction. We plan to be on track by next quarter.
2b.	Environmental Assessment	100	N/A
2c.	Network Design	85	We should be a little ahead of schedule the way we are moving.
2d.	Rights of Way	15	This should be a little ahead of schedule based on having engineering and permits.
2e.	Construction Permits and Other Approvals	15	This should be a little ahead of schedule based on having engineering and permits.
2f.	Site Preparation	50	This is behind because of permitting and acquisition.
2g.	Equipment Procurement	40	This is behind because of permitting and acquisition.
2h.	Network Build (all components - owned, leased, IRU, etc.)	5	This is behind because of permitting and acquisition.
2i.	Equipment Deployment	35	This is behind because of permitting and acquisition.
2j.	Network Testing	0	N/A
2k.	Other (please specify):	0	N/A

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).
 Zayo is not anticipating any issues at this time other than the permitting and acquisition issues that we outlined above.

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	\$120,000	\$24,000	\$96,000	\$120,000	\$24,000	\$96,000	\$120,000	\$24,000	\$96,000
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	\$1,741,602	\$348,320	\$1,393,282	\$765,142	\$153,029	\$612,113	\$1,315,143	\$263,029	\$1,052,114
e. Other architectural and engineering fees	\$2,114,434	\$422,887	\$1,691,547	\$721,868	\$144,374	\$577,495	\$956,383	\$191,277	\$756,106
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$400,000	\$80,000	\$320,000	\$0	\$0	\$0	\$200,000	\$40,000	\$160,000
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$30,336,358	\$9,587,272	\$20,749,086	\$36,067	\$7,213	\$28,854	\$1,800,000	\$360,000	\$1,440,000
j. Equipment	\$1,113,000	\$222,600	\$890,400	\$0	\$0	\$0	\$0	\$0	\$0
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$35,825,394	\$10,685,079	\$25,140,315	\$1,643,077	\$328,616	\$1,314,462	\$4,391,526	\$878,306	\$3,504,220
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$35,825,394	\$10,685,079	\$25,140,315	\$1,643,077	\$328,616	\$1,314,462	\$4,391,526	\$878,306	\$3,504,220

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