

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) 12-31-2011	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 david.lundy@zayo.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 02-29-2012
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Empty space for additional comments or notes
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Project Indicators (This Quarter)

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

Zayo requested a Termination for Convenience with an effective date of 9/30/11 for this project. Zayo Bandwidth, LLC was absorbed by its parent Zayo Group, LLC. Zayo has asked for a termination for convenience of the current grant and is asking NTIA and BTOP to reissue the grant under a new grant to Zayo Group, LLC. Zayo is pursuing this course of action under the direction of NTIA and BTOP. Zayo is continuing to build and fully commit to this project because of our commitment to both the project and or faith in the NTIA and BTOP. Zayo has continued to build and is actually at 38% build based on dollars spend and 41% based on actual miles built (264 miles of 645). This information will be on the first quarter report of our new award.

Zayo I- Light applied for 480 permits by 9-30 2011
 Rail Road -40
 INDOT – 214
 County – 163
 City – 73

As of 9-30-2011 62% of the permits have been approved
 • Executed pole attachment agreements with 20 REMC's, 2 AHJ's and two City's
 Total Project: 16,205 pole attachments.

Wabash County REMC, Kosciusko REMC, Noble REMC, Northeastern REMC, Harrison REMC, Vectren, Utilities District of Western Indiana REMC, Dubois REMC, Win Energy REMC, Southeastern Indiana REMC, Rush Shelby Energy REMC, Richmond Power and Light, Henry County REMC, White Water Valley REMC, Southern Indiana Power, South Central REMC, Bartholomew County REMC, Hendricks Power Cooperative REMC, Kankakee Valley REMC, White Water Valley, Clark County REMC, Daviess Martin County REMC, City of Huntingburg, City of Jasper, City of Linton United REMC, Johnson County REMC

Met with all pole owners and went over detailed drawings.

As of 9-30 2011
 • 8,120 poles or just over 50% of the make ready has been completed

Place Material Orders and secured warehouse in Mitchell Indiana

- Fiber Optic cable 3.7 million feet
- Duct 739,200' 1.25"
- Pole line Hardware 650 miles

Construction

- Completed: Warsaw south, East, North, totaling 82 miles new build and 78 miles In-kind contribution.
- Completed: Ivy Tech Warsaw lateral
- Started: Ivy Tech Goshen, Evansville, Lafayette, Monticello, Gary, LA Porte.

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	26	This is 42%under from our baseline.
2b.	Environmental Assessment	100	This is on target with our baseline.
2c.	Network Design	100	This is on target with our baseline.
2d.	Rights of Way	60	This is on target with our baseline.
2e.	Construction Permits and Other Approvals	80	This is 29% above our baseline.
2f.	Site Preparation	26	This is 74% behind our baseline. This is because of delays in finding our hut sites.
2g.	Equipment Procurement	0	Zayo is 100% behind on this because of delays in getting our huts.
2h.	Network Build (all components - owned, leased, IRU, etc)	21	This is 49% behind our baseline because of our permitting delays.
2i.	Equipment Deployment	0	Zayo is behind because of the delays in getting our huts and in securing our equipment.
2j.	Network Testing	0	This is in line with our baseline.
2k.	Other (please specify):	0	This is in line with our baseline.

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).

Please see #1 above.

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	140	This is behind our baseline. This has to do with the issues in 3 above.
New network miles leased	0	This is on target.
Existing network miles upgraded	0	This is on target.
Existing network miles leased	0	This is on target.
Number of miles of new fiber (aerial or underground)	140	This is behind our baseline. This has to do with the issues in 3 above.
Number of new wireless links	0	This is on target.
Number of new towers	0	This is on target.
Number of new and/or upgraded interconnection points	0	This is 41% behind our baseline.

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	30
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:
Zayo is behind on our signed agreements because we are behind on our miles deployed.

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:

None

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).

None

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	This is on target.
	Providers with signed agreements receiving improved access	0	This is 2 behind our target.
	Providers with signed agreements receiving access to dark fiber	0	This is on target.
	Please identify the speed tiers that are available and the number of subscribers for each	0	This is on target.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	This is on target.
	Subscribers receiving new access	0	This is on target.
	Subscribers receiving improved access	0	This is on target.
	Please identify the speed tiers that are available and the number or subscribers for each	0	This is on target.
Residential / Households	Entities passed	0	This is on target.
	Total subscribers served	0	This is on target.
	Subscribers receiving new access	0	This is on target.
	Subscribers receiving improved access	0	This is on target.
	Please identify the speed tiers that are available and the number of subscribers for each	0	This is on target.
Businesses	Entities passed	0	This is on target.
	Total subscribers served	0	This is on target.
	Subscribers receiving new access	0	This is on target.
	Subscribers receiving improved access	0	This is on target.
	Please identify the speed tiers that are available and the number of subscribers for each	0	This is on target.

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

None

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
None	None	None	N/A	None

Project Indicators (Next Quarter)

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

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	41	This is 57% under our baseline plan.
2b.	Environmental Assessment	100	This is on target.
2c.	Network Design	100	This is on target.
2d.	Rights of Way	100	This is on target.
2e.	Construction Permits and Other Approvals	100	This is on target.
2f.	Site Preparation	54	This is 56 behind our baseline because of delays in site procurement.
2g.	Equipment Procurement	100	This is on target.
2h.	Network Build (all components - owned, leased, IRU, etc.)	60	This is 40% behind our baseline because of delays in procurement.
2i.	Equipment Deployment	60	This is 40% behind our baseline because of delays in procurement.
2j.	Network Testing	0	This is 70% under our baseline because of permitting and build delays.
2k.	Other (please specify):	0	This is on target.

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).
This award should be terminated.

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	\$1,450,329	\$290,066	\$1,160,263	\$1,450,329	\$290,066	\$1,160,263
e. Other architectural and engineering fees	\$2,114,434	\$422,887	\$1,691,547	\$1,290,281	\$258,056	\$1,032,224	\$1,290,311	\$258,056	\$1,032,224
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$400,000	\$80,000	\$320,000	\$105,772	\$21,154	\$84,618	\$105,772	\$21,154	\$84,618
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$30,336,358	\$9,587,272	\$20,749,086	\$6,468,227	\$1,293,645	\$5,174,582	\$6,468,227	\$1,293,645	\$5,174,582
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	\$9,434,609	\$1,886,921	\$7,547,687	\$9,434,639	\$1,886,921	\$7,547,687
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	\$9,434,609	\$1,886,921	\$7,547,687	\$9,434,639	\$1,886,921	\$7,547,687

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