

RECIPIENT NAME:GOVNET, INC.
AWARD NUMBER: NT10BIX5570136
DATE: 02/26/2015

OMB CONTROL NUMBER: 0660-0037
EXPIRATION DATE: 6/30/2015

ANNUAL 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 NT10BIX5570136	3. DUNS Number 831335448
4. Recipient Organization GOVNET, INC. 7835 E. McClain Dr., Scottsdale, AZ 85260-1872		
5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2014	6. Is this the last Annual Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> 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 Karen McCoy Vice President	7c. Telephone (area code, number and extension) 4804241411	
	7d. Email Address karen.m@govnet.net	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 02-26-2015	

OVERALL PROJECT PERFORMANCE INDICATORS

1. Please provide the following average cost figures for your project. Please review the instructions to determine how to calculate these figures. Write "0" in the second column and "N/A" in the third column if your project does not yet have this information. Depending on whether your project contains Middle Mile and/or Last Mile components, some metrics may not apply. Please provide a narrative description if the total is different from the target provided in your baseline plan (600 words or less).

Cost Indicator	Average Cost / Speed	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Average cost per new mile (Middle Mile)	0	FONSI not received until November 2011, and project was under suspension from May 2012 to September 2013. Network construction is still underway.
Average cost per household passed (Last Mile)	0	N/A
Average cost per subscriber (Last Mile)	0	N/A
Maximum broadband speed advertised (Middle Mile)	0	FONSI not received until November 2011, and project was under suspension from May 2012 to September 2013. Network construction is still underway.
Maximum broadband speed advertised (Last Mile)	0	N/A
Average broadband speed provided (Middle Mile)	0	FONSI not received until November 2011, and project was under suspension from May 2012 to September 2013. Network construction is still underway.
Average broadband speed provided (Last Mile)	0	N/A

2. Please provide each facility name and type, the county where the facility is located, and census tract information for any facilities funded by your project during this annual reporting period. Report only facilities for which construction has been completed.

Facility Identifier / Name	Facility Type	County	Census Tracts
1501	Backbone	Maricopa County	N/A
Mt Lemmon	Backbone	Pima County	N/A
Dragoon	Backbone	Cochise County	N/A
Mule Mountain	Backbone	Cochise County	N/A
Klondyke	Backbone	Graham County	N/A
Willcox Mountain	Backbone	Cochise County	N/A
Kelvin	Backbone	Pinal County	N/A
Phoenix One	Backbone	Maricopa County	N/A
3030 N 3rd	Backbone	Maricopa County	N/A
Signal	Backbone	Gila County	N/A
Mt Ord	Backbone	Gila County	N/A
Payson Airport	Nodal	Gila County	N/A

Payson RPT	Nodal	Gila County	N/A
Legal Services Bldg (LSB)	Backbone	Yavapai County	N/A
Scottsdale Princess I/O	Backbone	Maricopa County	N/A
NOC 7835 East McClain Drive	Backbone	Maricopa County	N/A
Red Mountain	Backbone	Santa Cruz County	N/A

Add Facility

Remove Facility

3. Please identify (1) the total number of interconnection, peering, and/or transit agreements entered into during this annual reporting period; (2) the total number of agreements of each type that you are currently negotiating; and (3) whether you have denied any request for interconnection and if so, why. If you have not entered into any agreements, please write "N/A."

Interconnection Agreements (600 words or less)

No interconnection agreements signed in 2014, although two (2) agreements were being revived and negotiated. GovNET has not denied any requests for interconnection.

Peering and Transit Agreements (600 words or less)

GovNET has entered into a second peering agreement in 2014 with a separate provider for 10 Gbps of Tier One Internet. No further agreements are anticipated.

CAPACITY, UTILIZATION, AND CAPABILITY INDICATORS

4. Community Anchor Institutions: In the chart below, please provide information on the types of community anchor institutions capable of receiving service (i.e., anchor institutions connected to your network plus those passed by your network) as a result of BTOP funds.

Type of Community Anchor Institution	Total Number Within Service Area	Type of Community Anchor Institution	Total Number Within Service Area
Schools (K-12)	196	Public Housing	0
Libraries	75	Other Institutions of Higher Education	13
Medical and Healthcare Providers	36	Other Community Support Organizations	0
Public Safety Entities	1	Other Government Facilities	59
Community Colleges	3	Total Community Anchor Institutions	383

5. Please indicate the average increase in broadband speed provided to the community anchor institution customers as a result of your project, including a description of how this increase was calculated (600 words or less).

GovNET has been able to increase broadband speed provided to community anchor institution customers at least 5x-10x. One CAI customer previously had maxed out local capacity with 7 bonded T1s (or 1.5 Mbps x 7 = 10 Mbps of speed). GovNET was able to provide 100 Mbps of full-duplex broadband service (same upload speed as download speed) to a very excited rural district school office and campus.

GovNET expects the average increase in broadband speed will increase from 1.5 - 10 Mbps current average access to over 100Mbps - 1Gbps capability as a result of this project.

6. What retail services are being provided by this project? Please describe below. (600 words or less). As an attachment to this report, please provide pricing plans (in \$ per month) associated with each retail service. Retail services description:

N.A

7a. What network management policies (e.g., bandwidth limitations, traffic prioritization) are in place for the services provided by your project? 7b. Have you ever limited or blocked consumers from accessing any lawful content, service, service provider, or application, or prevented any consumers from attaching any legal device to the network? If so, please explain why (300 words or less)?

7a. Network is operating in parts of the State of Arizona. Bandwidth limitations are in effect only in terms of provisioning requested bandwidth to specific customers. 7b. No - we have never limited access to any entity requesting service.

8. If applicable, please provide the total number and the percentage of subscribers who have dropped the broadband service provided through this project (total number of households and/or businesses and the "churn rate") and the subscribers' reasons for discontinuing their service (600 words or less).

No community anchor institutions have dropped GovNET services in 2014. There are no households or business that take services.

9. Please provide the following information regarding the number of fiber strand-miles:

Total Number of Strand-miles	Total Number of Active Fiber Strand-miles Used by Recipient	Total Number of Leased Fiber Strand-miles	Total Number of Dark Fiber Strand-miles	Total Number of Strand-miles Being Built		
				Active	Leased	Dark
0	0	0	0	0	0	0

10. If you wholesale dark fiber, please list your wholesale customers and the number of fiber miles you currently are leasing to those customers:

n/a

11. Please provide the following information regarding the facility collocation capacity:

Total Facility (total square feet for all facilities)	Number of Square Feet Used by Recipient	Number of Square Feet Leased	Number of Square Feet Available
600	450	0	150

12. If you do not own collocation space, please describe how and where other network providers and/or customers interconnect with your network (600 words or less).

GovNET owns collocation space, and will have towers and space for cabinets available for collocation.

13. To the extent that you have made any subcontracts or sub grants, please provide the number of subcontracts or sub grants that have been made to socially and economically disadvantaged small business (SDB) concerns as defined by section 8(a) of the Small Business Act, 15 U.S.C. 647, as modified by NTIA's adoption of an alternative small business size standard for use in BTOP. Please also provide the names of these SDB entities (150 words or less).

No subcontracts or sub grants were made in 2014 to SDBs.

14. Please describe any best practices/lessons learned that can be shared with other similar BTOP projects (900 words or less).

N/A

DATE: 02/26/2015

15. Using the Excel spreadsheet template titled "Annual PPR CCI Addendum", please provide an updated list of Community Anchor Institutions (CAIs) that you have connected and plan to connect to your network.

16. Using the Excel spreadsheet template titled "Annual PPR CCI Addendum", please provide a list of community pairs that are receiving new or improved broadband service as a result of BTOP grant funds.

17. Please provide up-to-date network route maps in a single file, in a Google Earth compatible format (e.g., KMZ file).