

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 NT11BIX5570001	3. DUNS Number 964743988
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4. Recipient Organization Eagle-Net Alliance 11800 Ridge Pkwy, Broomfield, CO 80021-6525
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5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2012	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 John Bakken Compliance and Reporting Manager	7c. Telephone (area code, number and extension) 720 210946
	7d. Email Address john.bakken@co-eaglenet.net

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 02-27-2013
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Project Indicators (This Quarter)

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

Fourth quarter accomplishments included:

- The deployment of up to 39 construction crews working in the state, creating a job FTE of 169.44.
- Construction of 185 miles of conduit during the quarter, for a total of 728 miles.
- Construction of 308 miles of fiber during the quarter, for a total of 660 new network fiber miles.
- The deployment of 24 active cabinets with equipment.
- Completion of an IRU for 242 wireless miles.
- Connection of 37 new CAIs during the quarter, for a total of 104 CAIs connected (see section 6 for description of revised CAI listing).
- Continuing community outreach activities with CAIs, state, regional and local governments, local technology groups and other interested parties.

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	57	The 57% is behind the baseline projection of 94% complete. This is partially because of the temporary suspension put on construction spending in the last quarter. If accrued construction costs for work performed but not yet paid were included in this spend calculation, the EAGLE-Net network spend would be 76% complete. Although still behind the baseline amount, this difference is due to the initial delays encountered with the grant transfer and the statewide Environmental Assessment Process. Note that construction was suspended on December 6 until a supplemental Environmental Assessment is completed (see #3 below).
2b.	Environmental Assessment	100	This milestone and the associated spend were completed when the FONSI was obtained. However, there will be additional expenses in this category to complete the supplemental Environmental Assessment.
2c.	Network Design	100	Although the logical and network design is complete, the design will continue to be fine-tuned throughout the design/build process. A budget reprogram has been submitted to forecast additional design costs being incurred.
2d.	Rights of Way	92	Rights of way are behind the 100% baseline projection. However, the CDOT agreement that was signed and the rights of way provided had a value that was greater than what was used in the original baseline projection. These adjusted costs were reflected in our submitted budget reprogram.
2e.	Construction Permits and Other Approvals	100	Although the permitting process has not yet been completed, based on dollars spent, the original baseline estimate was considerably understated. As of the end of the quarter, actual dollars spent plus accrued costs are substantially higher than the baseline projected amount. These additional costs were reflected in the submitted budget reprogram.
2f.	Site Preparation	8	This amount is lower than the baseline projection of 98% as some costs that were originally in this category are now part of the Network Build category. We have revised this budget amount in our submitted budget reprogram.
2g.	Equipment Procurement	49	This amount is behind the baseline projection of 96%, although if we added the accrued cost of equipment purchased but not yet paid, we would be at 76% complete.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2h.	Network Build (all components - owned, leased, IRU, etc)	56	This amount, which includes all network build activities in addition to the cost of IRUs, Project Management and other administrative costs for the project is behind our baseline projection of 94%. This is in part due to the delays encountered with the grant transfer and in achieving the FONSI. Also, as noted above, total invoices where work was completed but the invoices are accrued due to the construction suspension are not included in the spend percentage calculation. If these were included, we would be at 76% complete. As of the construction suspension on December 6, we had completed 710 miles of conduit and 660 miles of new fiber construction.
2i.	Equipment Deployment	26	Equipment deployment is behind our baseline projection of 95% as we only recently began to connect the majority of our CAls. The accrued amount would increase this percentage to 36%. This is also a category where we have changed the overall budget in the submitted budget reprogram.
2j.	Network Testing	0	This category is actually being absorbed into the Network Build costs as these expenses are not being specifically broken out. The roughly \$500,000 budgeted here has been reallocated in our submitted budget reprogram.
2k.	Other (please specify):	20	The costs of the outside testing and warehouse facilities is behind our baseline projection of 94%. The facilities were obtained later than anticipated and are less expensive than the projected amount, so these dollars were reallocated in our submitted budget reprogram.

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).

On December 6, EAGLE-Net received notice to suspend all construction activities due to selected route modifications that had not been covered or approved in the initial approved state-wide Environmental Assessment. Therefore, all construction activities were stopped at that time, and EAGLE-Net has submitted revised and updated environmental documentation that is now being reviewed by the NTIA. Federal funds for construction have also been temporarily suspended pending approval of the environmental documentation. EAGLE-Net is working closely with the NTIA to facilitate an expedited review and approval of the routes in order to lift the suspension.

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	660	The total miles deployed are behind our baseline projection of 1,829 total new miles. With the initial delays in the grant transfer and receiving the FONSI and the construction suspension in early December, we continue to be behind our baseline estimate. This difference is also partially due to the route modifications that have been submitted to NTIA which include more fiber miles and less wireless miles than originally projected.
New network miles leased	1,959	The total miles equal 1,717 leased fiber miles as well as 242 leased wireless miles from local, regional and national Colorado providers. However, these miles are behind our baseline projection of 2,318 leased miles. While we are exceeding the original projection of leased fiber miles, we are behind the projection for leased microwave miles.
Existing network miles upgraded	263	The baseline report projected 298 miles to be upgraded by this quarter, and 317 miles by the end of the project. However, all existing miles have been upgraded, so although the total

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
		mileage is at 263 miles, this upgrade of all existing network miles has been completed.
Existing network miles leased	0	n/a. Consistent with baseline report.
Number of miles of new fiber (aerial or underground)	660	This is behind our baseline projection of 1592 miles of new fiber due to the previously described construction delays.
Number of new wireless links	24	This is behind our baseline projection of 145 wireless links.
Number of new towers	0	Although the baseline projection is for 145 new towers by this quarter and 154 new towers by the end of the project, the route modification request shows that no new towers will be built for the project, so the new towers will remain at zero. This route modification has been submitted to NTIA.
Number of new and/or upgraded interconnection points	54	This is behind the baseline projection of 173 interconnection points due to the previously described delays in construction.

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	5
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	12
Average term of signed agreements (in quarters)	8

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: We have signed Master Service Agreements (MSAs) with 21 wholesale and last mile providers. The MSAs provide the framework for actual service agreements of which there have been 5 executed so far. Our baseline projection was for 14 agreements so we are slightly behind that estimate. However, we have additional service agreements ready which can be executed once construction resumes.

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: We are providing transport to the ISP or intra-state transport for the wholesale providers' customers.

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. No third party is operating our network.

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	5	We actually have more agreements ready to be executed to provide new access to wholesalers and last mile providers, but with the construction suspension, only 5 of those are connected, with the others tp be connected shortly after construction resumes.
	Providers with signed agreements receiving improved access	0	n/a. Consistent with the baseline report.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Providers with signed agreements receiving access to dark fiber	0	n/a. Consistent with the baseline report.
	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	104	During this quarter, we were asked by the NTIA to change CAI count methodology from counting individual schools to counting school districts. This is in line with our original application as well as the CAIs posted on our website. In this conversion we went from a total of 1106 CAIs to 223 CAIs. So, in a project to date view, we are now connected to 104 of 223 CAIs, with 37 added this quarter. With the current construction stoppage, we were very close to completing but unable to finish connections to an additional 39 CAIs. While some of these CAIs are our contracted subscribers, others now have the access ability to connect if they choose to purchase service from us.
	Subscribers receiving new access	92	These are new CAI connections from either built fiber, leased fiber, or microwave connections.
	Subscribers receiving improved access	12	These are upgraded CAI connections from the original Centennial BOCES network.
	Please identify the speed tiers that are available and the number or subscribers for each	0	The network is capable of providing 1 Gbps, multiple 1 Gbps and 10 Gbps connections based on the anchor institution requests.
Residential / Households	Entities passed	0	n/a. We are a BTOP project with no last mile component.
	Total subscribers served	0	n/a. We are a BTOP project with no last mile component.
	Subscribers receiving new access	0	n/a. We are a BTOP project with no last mile component.
	Subscribers receiving improved access	0	n/a. We are a BTOP project with no last mile component.
	Please identify the speed tiers that are available and the number of subscribers for each	0	n/a. We are a BTOP project with no last mile component.
Businesses	Entities passed	0	n/a. We are a BTOP project with no last mile component.
	Total subscribers served	0	n/a. We are a BTOP project with no last mile component.
	Subscribers receiving new access	0	n/a. We are a BTOP project with no last mile component.
	Subscribers receiving improved access	0	n/a. We are a BTOP project with no last mile component.
	Please identify the speed tiers that are available and the number of subscribers for each	0	n/a. We are a BTOP project with no last mile component.

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

We are not providing any special offerings at this time.

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
See attachment	n/a	n/a	n/a	37 new anchor institutions are listed on the attached document.

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 The major accomplishment will be to receive approval for our supplemental Environmental Assessment to have the construction suspension lifted. Once this is completed, we will be able to move forward with construction. At the time of the construction suspension, there were several routes close to completion, so being able to complete those quickly and to connect those related CAIs will be our number one priority.
 However, having established the lifting of the suspension as our main goal for the quarter, the Planned Percent Complete calculations below, based on actual dollars spent, are based on the conservative assumption that we will only be able to draw \$1,500,000 this quarter for actual project payments.

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	58	Due to the previously described delays including the construction suspension, we will be far below our baseline projection of 98% complete. Again, this calculation is based on actual dollars spent, and not work completed, so once we pay for our completed construction activities, and once we are again actively constructing the network, the percentage complete will be significantly higher.
2b.	Environmental Assessment	100	More costs will be incurred in this category due to the required supplemental Environmental Assessment, however, based on dollars spent, this step is complete.
2c.	Network Design	100	Although there will be future fine-tuning of design activity as we move forward with the network build, this logical network and network equipment design is complete.
2d.	Rights of Way	92	Once the submitted budget reprogram has been approved, the CDOT rights of way spend will be completed.
2e.	Construction Permits and Other Approvals	100	Although currently at 100% of the baseline projection, costs in this category will continue to be incurred as the original baseline estimate was understated.
2f.	Site Preparation	8	This amount will be far behind the original baseline projection of 100% complete due to an overstatement in the baseline estimate. These amounts have been corrected in the submitted budget reprogram.
2g.	Equipment Procurement	49	The Equipment spend amount will be below the baseline projection of 99% due to the timing of equipment payments, the timing of the ordering of the final equipment, as well as an actual cost savings in the equipment purchased versus the original baseline projection amount. So, this category will result in savings that have been rebudgeted to other categories in the budget reprogram. Please note that in the budget categories (the last page of this report), layer 2 and 3 equipment costs are part of the Construction category.
2h.	Network Build (all components - owned, leased, IRU, etc.)	56	Due to the construction suspension and the corresponding hold restrictions on construction payments, the Network Build completion percentage will remain far below its 98% baseline projection. However, once the supplemental Environmental Assessment has been approved and the funds are released to pay for build activities, the completion percentage in this category will quickly accelerate. There are many routes that are nearly complete where activity can promptly resume.
2i.	Equipment Deployment	26	With the delays in construction, equipment deployment will also be behind the baseline projection of 99% complete. Spending will continue in this category as the network construction is completed and equipment is actually deployed.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2j.	Network Testing	0	This category is actually being absorbed into the Network Build costs as there expenses are not being specifically broken out. So, the roughly \$500,000 in total budget is being reallocated to the Network Build category.
2k.	Other (please specify):	22	The major cost for this category is for warehousing to store, test and stage equipment for deployment. While this expense will be below our 98% baseline projection, both the cost and the timing of the warehouse space will result in a budget savings in this category.

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).

With the assumption that we'll receive approval of our supplemental Environmental Assessment, the biggest challenge will be ramping construction activities back up quickly so that we can still complete the network by August 31. The construction suspension happened during winter, which is slower time for construction, but we still must be ready to begin as soon as approval had been given. We were also set back financially as customer that might have connected during this period were not, so we must optimize our route selection to ensure that any potential customers are quickly connected.

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	\$252,000	\$0	\$252,000	\$644,980	\$0	\$644,980	\$844,980	\$0	\$844,980
b. Land, structures, right-of-ways, appraisals, etc.	\$24,832,866	\$11,912,238	\$12,920,628	\$9,965,308	\$8,918,958	\$1,046,350	\$9,965,308	\$8,918,958	\$1,046,350
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$16,755,059	\$4,687,000	\$12,068,059	\$9,654,704	\$0	\$9,654,704	\$9,654,704	\$0	\$9,654,704
e. Other architectural and engineering fees	\$232,848	\$0	\$232,848	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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	\$93,228,004	\$18,066,349	\$75,161,655	\$56,912,354	\$1,025,000	\$55,887,354	\$58,212,354	\$1,025,000	\$57,187,354
j. Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$135,300,777	\$34,665,587	\$100,635,190	\$77,177,346	\$9,943,958	\$67,233,388	\$78,677,346	\$9,943,958	\$68,733,388
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$135,300,777	\$34,665,587	\$100,635,190	\$77,177,346	\$9,943,958	\$67,233,388	\$78,677,346	\$9,943,958	\$68,733,388

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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