QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Award Identification Number	3. DUNS Number
Department of Commerce, National Telecommunications and Information Administration	NT11BIX5570001	964743988

4. Recipient Organization

Eagle-Net Alliance 11800 Ridge Parkway, Suite 450, Broomfield, CO 80021

5. Current Reporting Period End Date (MM/DD/YYYY)	6. Is this the last Report of the Award Period?
06-30-2011	◯ Yes ⦿ 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	7c. Telephone (area code, number and extension)
John Bakken	720 210946
Compliance and Reporting Manager	**7d. Email Address** john.bakken@co-eaglenet.net

7b. Signature of Certifying Official	7e. Date Report Submitted (MM/DD/YYYY):
Submitted Electronically	08-01-2011

Project Indicators (This Quarter)

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

During the second quarter of 2011, significant accomplishments included:

-Continuing to hire our core staff; 7 new employees were hired during this quarter.

-Significant progress in our Environmental Assessment (EA). While we did not achieve our goal of a FONSI by the end of the quarter, all EA work was completed including a programmatic agreement (PA), although awaiting final approvals on the PA meant that the final EA was not submitted until July 6.

-An NTIA site visit was successfully completed.

-Both the logical network design and project schedule were substantially completed during this quarter.

-Several Community Outreach programs were accomplished, including attending 11 conferences with higher education associations, meetings with community, education and business groups, the creation of a community outreach brochure, and two articles published in local newspapers, including the Denver Business Journal. Because of this success, our VP of Community Outreach and VP of Business Development were asked to lead a BTOP Best Practices call on EAGLE-Net's community outreach strategy and segmentation plan.

-Completion of documentation and approval sheets for our required quarterly Federal reports.

-Creation of a file structure in GoogleDocs for easy but secured online access to all grant related documents. All employees were trained on this system, and are migrating documents to the server.

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	10	The 10% is behind the baseline amount of 27% because of the delays that we've encountered in achieving FONSI (described below). Projected baseline spending included site preparation, network build and equipment deployment costs, etc, none of which we were able to start this quarter without the FONSI. Note that this amount includes the in-kind match that was booked last quarter.
2b.	Environmental Assessment	91	This amount is slightly behind the baseline projected 100% because the Environmental Consultant is withholding their final invoice until the FONSI has been received.
2c.	Network Design	74	The projected baseline amount for network design was to be 100% complete this quarter. The 74% shown here is for the design of the "logical network" which is essentially complete. The remaining expense for network design will come from the design/build contractor's physical network design. This was not started this quarter because the design/build contractor had not yet been awarded.
2d.	Rights of Way	92	The baseline number for this quarter was 46% because it anticipated booking this match over two quarters. Instead, the entire match was booked in the prior quarter, which puts us ahead of the baseline target.
2e.	Construction Permits and Other Approvals	0	This number is behind the baseline target of 11% because the design/build contractor had not yet been hired during this quarter so final design for permits, etc. was not yet ready.
2f.	Site Preparation	0	This is behind our baseline target of 35%. Until the FONSI has been issued, we are unable to begin site preparation.
2g.	Equipment Procurement	1	The layer 2/3 equipment RFP was not completed this quarter. Therefore the only equipment purchased was what was required to upgrade the legacy system. This is behind our baseline projection of 29%.
2h.	Network Build (all components - owned, leased, IRU, etc)	3	The baseline target was 23% for this quarter, which includes project overhead for the build. As we have not begun the actual build phase of the project yet, the 3% shown is the overhead spending plus the PMO expense for the overall project through this quarter.
2i.	Equipment Deployment	0	Until equipment procurement is completed and the network design is fundamentally complete, we are unable to begin our equipment deployment. Therefore, we did not meet our baseline projection of 26%.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2j.	Network Testing	0	With no network build, we are unable to begin our network testing. Therefore, we did not achieve our baseline target of 18% complete.
2k.	Other (please specify):	0	Without the equipment RFP being complete, we have not begun leasing or staging our warehouse. Therefore we did not achieve our baseline target of 23% complete.

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).

Our main challenge during the quarter was trying to complete the Environmental Assessment so that we could receive our FONSI. Many resources were used, including significant time from both our environmental consultant as well as EAGLE-Net personnel. While we tried as hard as possible to complete this by the quarter end of June 30, after submissions and reviews, we actually just received the FONSI clearance memo as this report was being submitted on July 29.

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	Due to the previously described delays in the Network Design, no new network miles were deployed. Therefore, we have not achieved our baseline target of 525 new deployed miles.
New network miles leased	0	Due to the previously described delays in the Network Design, no new network miles were leased. Therefore, we have not achieved our baseline target of 66 new leased miles.
Existing network miles upgraded	0	Due to the previously described delays in the Network Design, no existing network miles were upgraded. Therefore, we have not achieved our baseline target of 86 upgraded existing miles.
Existing network miles leased	0	n/a. Consistent with baseline report.
Number of miles of new fiber (aerial or underground)	0	Due to the previously described delays in the Network Design, no new fiber miles were deployed. Therefore, we have not achieved our baseline target of 457 new fiber miles.
Number of new wireless links	0	Due to the previously described delays in the Network Design, no new wireless links were deployed. Therefore, we have not achieved our baseline target of 42 new wireless links.
Number of new towers	0	Due to the previously described delays in the Network Design, no new towers were constructed. Therefore, we have not achieved our baseline target of 44 new towers.
Number of new and/or upgraded interconnection points	0	Due to the previously described delays in the Network Design, no new or upgraded interconnection points were completed. Therefore, we have not achieved our baseline target of 50 new interconnection points.

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. There are no signed agreements through this quarter.

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:
n/a. As no build has net been completed, no services were being provided by this project in this quarter. Therefore, there is no pricing list attached.

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 build has yet been completed, so there is no network operation in this quarter.

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	Due to the previously described delays in the Network Design, there are no signed agreements for new access. Therefore, we have not achieved our baseline target of 3 signed agreements.
	Providers with signed agreements receiving improved access	0	n/a. Consistent with baseline report.
	Providers with signed agreements receiving access to dark fiber	0	n/a. Consistent with 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**	0	Due to the previously described delays in the Network Design, no subscribers were being served in this quarter. Therefore, we have not achieved our baseline target 448 total subscribers.
	Subscribers receiving new access	0	Due to the previously described delays in the Network Design, no subscribers were receiving new access in this quarter. Therefore, we have not achieved our baseline target 243 subscribers receiving new access.
	Subscribers receiving improved access	0	Due to the previously described delays in the Network Design, no subscribers were receiving improved access in this quarter. Therefore, we have not achieved our baseline target of 205 subscribers receiving improved access.
	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. 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.

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.
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.

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

n/a. No services being provided yet.

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
n/a.	n/a.	n/a.	n/a.	n/a. No community anchor institutions are connected yet.

Project Indicators (Next Quarter)

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

There were several accomplishments that we were close to completing in June, but were extended into July. These, in addition to other planned accomplishments in the next quarter include:
- Completion of Environmental Assessment and issuance of FONSI
- Awarding of Design/Build Contract
- Purchase of "Legacy" network from Centennial BOCES
- Upgrade of legacy network to provide service to over 400 CAIs
- Transfer of accounting structure and historical data from CBOCES to our financial management system, with upgrades for that system installed and implemented
- Completion of IRU agreement with Platte River Power Authority; other IRUs in negotiation with some to be completed this quarter
- Issuance of RFP and award of bid on layer 2/3 equipment
- Continuing community outreach activities including meetings with county commissioners of several counties, attendance and participation in many professional meetings and conferences, development of a pre-launch/launch business development schedule coordinated with build schedule and creation of related communications templates, and tailoring of market segment communications for business development
- Hiring of additional staff according to organizational plan
- Moving into permanent office space

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	16	The overall picture is that we are behind our baseline schedule to the earlier delays caused by the grant transfer. This has resulted in us not receiving our FONSI yet, although we should receive it within days of this report. By the end of the next quarter,we will just be beginning the start of our build process. However, we have planned for accelerated activity with our design/build contractor once the FONSI is issued. So, we anticipate being 16% complete versus our baseline target of 41% complete, but in subsequent quarters we plan to bridge that gap and make significant progress to catch up to our milestones.
2b.	Environmental Assessment	100	Once the FONSI has been issued, we will receive the final invoice from our Environmental contractor, which will take us to 100% complete spend for this category.
2c.	Network Design	98	The network design will be substantially complete by the end of the quarter, although there may be a little open cost for possible future changes. The 98% complete will be just slightly behind the baseline target of 100% complete.
2d.	Rights of Way	92	92% is consistent with the baseline amount.
2e.	Construction Permits and Other Approvals	0	The baseline target is 25% complete, but with the physical network design just beginning this quarter, there well be no spend for permits.
2f.	Site Preparation	0	The baseline target is 44% complete, but with the physical network design just beginning this quarter, there well be no spend for permits.
2g.	Equipment Procurement	1	The baseline target is 40% complete. While we do anticipate the Equipment RFP to be awarded by the end of the quarter, there will probably be no actual spend until the beginning of the subsequent quarter.
2h.	Network Build (all components - owned, leased, IRU, etc.)	10	While the baseline target is 44%, we anticipate very little build activity in this quarter as the physical design is completed. However, we will continue with a significant effort in procuring IRUs according to the route parameters. The Legacy network is also purchased during this quarter, which, with some upgraded equipment, will allow us to show improved service to over 400 subscribers.
2i.	Equipment Deployment	0	Without the large equipment procurement, there will be no deployment. This is below our baseline goal of 37%.
2j.	Network Testing	0	We will not meet our baseline goal of 29% as we will not have network components to start testing yet.
2k.	Other (please specify):	0	With no equipment ready for deployment this quarter, we won't have the need to lease warehouse space. This, we will not meet our baseline projection of 35%.

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).

The biggest challenge is the wait for our FONSI to be issued. We have been moving forward with pre-FONSI activities as much as possible; e.g. design work with our Design/Build Contractor is well underway, IRUs are being negotiated, and equipment has been purchased to upgrade the legacy system. So the next major step is to begin the build phase of the project once the FONSI has been issued. With our start delayed about 5 months, our main challenge will then be to accelerate our progress to meet our baseline milestones. This will be planned with our design/build contractor, and that plan will begin to be implemented this quarter as soon as we receive the FONSI.

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.

Cost Classification	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		
	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	$74,598	$0	$74,598	$104,598	$0	$104,598
b. Land, structures, right-of-ways, appraisals, etc.	$24,832,866	$11,912,238	$12,920,628	$8,918,958	$8,918,958	$0	$8,918,958	$8,918,958	$0
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	$5,001,281	$0	$5,001,281	$11,029,010	$0	$11,029,010
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	$0	$0	$0	$1,000,000	$0	$1,000,000
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	$13,994,837	$8,918,958	$5,075,879	$21,052,566	$8,918,958	$12,133,608
m. Contingencies	$0	$0	$0						
n. TOTALS (sum of l and m)	$135,300,777	$34,665,587	$100,635,190	$13,994,837	$8,918,958	$5,075,879	$21,052,566	$8,918,958	$12,133,608

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