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	NT12BIX5570001	808193960

4. Recipient Organization

Zayo Group, LLC 400 Centennial Pkwy Suite 200, Louisville, CO 80027-1210

5. Current Reporting Period End Date (MM/DD/YYYY)	6. Is this the last Report of the Award Period?
06-30-2012	◯ **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)
David Lundy	3039477052
	7d. Email Address
	david.lundy@zayo.com

7b. Signature of Certifying Official	7e. Date Report Submitted (MM/DD/YYYY):
Submitted Electronically	08-31-2012

Project Indicators (This Quarter)

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

This grant was originally awarded to Zayo Bandwidth, LLC. under award # NT10BIX5570025. Following the wind-up of a corporate merger in late 2011, the government approved a transfer in March 2012 and awarded the grant to the current recipient who is a Zayo affiliate under Award # NT12BIX5570001. The numbers below reflect the total current numbers for the whole project. The numbers in section 2 through the Budget Execution Details on the last page of this report are based on the numbers transferred forward from the original grant.

Current aerial miles constructed is 440 of 568 total.
Current underground miles constructed is 71 of 100 total.
Total miles currently constructed is 511 of 668 for the total project for a total percentage of ~76% complete.
"In-Kind" Contribution is 198 miles.
Miles not yet constructed but all permits received is 82.
We have currently purchased 0 Wireline IRU miles.
Interconnection points installed 1348 of 413 for a total of 935 more that in our baseline. Zayo leaves a slack loop for tie in purposes every 2,000 feet. This is what we label as interconnection points.
We have currently connected 17 CAI's of the 21 CAI's for the whole project for a total percentage of ~81% complete.
We currently have 38 Railroad ROW permits of 45 total for a total of 84% complete.
We currently have 107 City Permits of 120 total for a total of 89% complete.
We currently have 68 County Permits of 73 total for a total of 93% complete.
We currently have 224 State Permits of 230 total for a total of 97% complete.
There are currently a total of 437 required permits, we currently have 468 total for a total of 93% of all permits.
We have made 2 Land Purchases of 2 total for a total of 100% complete.
We currently have 530 miles of Aerial Poles Make Ready completed of 568 total for a total percentage of 93% complete.

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	49	This percentage is based on spend based on the total for both awards. This is 51% behind our baseline. Zayo is currently running way under budget. If you look at the numbers above, although we have only spent 49% of our budget, we have ~76% of our total miles built.
2b.	Environmental Assessment	0	Zayo did not plan for this in our budget. This was part of our network design.
2c.	Network Design	95	This percentage is based on spend based on the total for both awards. This is 5% behind our baseline. Zayo is currently running way under budget.
2d.	Rights of Way	0	Zayo did not plan for this in our budget. This was part of our network design.
2e.	Construction Permits and Other Approvals	0	Zayo built this costs into our construction budget. We did not make it a separate line item. Actual permit status is above in section 1.
2f.	Site Preparation	59	This percentage is based on spend based on the total for both awards. This is 41% behind our baseline. Zayo is currently running way under budget and this project took less site prep than anticipated.
2g.	Equipment Procurement	84	This is 16% behind our baseline and has to do with costs savings.
2h.	Network Build (all components - owned, leased, IRU, etc)	48	This percentage is based on spend based on the total for both awards. This is 52% behind our baseline. Zayo is currently running way under budget. If you look at the numbers above, although we have only spent 30% of our budget, we have ~76% of our total miles built.
2i.	Equipment Deployment	0	This is 100% below our baseline. This is because Zayo included this in our baseline plan but did not plan for it in our detailed budget.

	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	This is because Zayo included this in our baseline plan but did not plan for it in our detailed budget. This is 50% behind our baseline and this is because of the way we are building, we are not lighting and testing our network until it is built.
2k.	Other (please specify): n/a	0	This is because Zayo included this in our baseline plan but did not plan for it in our detailed budget. This is 50% behind our baseline and this is because of the way we are building, we are not lighting and testing our network until it is built.

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).

None.

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	568	This is 134 miles behind our baseline. This is based on permitting and EA change delays.
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)	568	This is 134 miles behind our baseline. This is based on permitting and EA change delays.
Number of new wireless links	0	N/A
Number of new towers	0	N/ N/A
Number of new and/or upgraded interconnection points	1,348	This is 935 ahead of our baseline. Zayo is exceeding our expected number of interconnection points because we are installing more than originally calculated.

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	12
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	18
Average term of signed agreements (in quarters)	60

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:
I-Light, Enhanced Telecom Corporation, Smithville Digital, Perry-Spencer Telephone, Internet Communications, Inc., Verizon, T-Mobile, ETC

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:

I-Light colocation- two @ $710 monthly per site and one dark fiber segment @ $2676 monthly, Smithville Digital – Co-Location at $1,000 monthly, 3 dark fiber segments, one @ $1664 monthly, one @ $2048 monthly, one @ $1056 monthly, ETC – dark fiber segment @ $3200 monthly, Internet Communications, Inc – GigE transport, $2000 monthly, Perry-Spencer Communications – GigE transport - $3425 monthly, Verizon Wireless – 50 and 100meg Ethernet – multiple sites, average $1000 per site, T-Mobile – 50 and 100meg Ethernet – multiple sites, average $1,000 per site.

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**	5	Perry-Spencer, Internet Communications, Inc., Smithville Digital, I-Light, ETC
	Providers with signed agreements receiving improved access	2	T-Mobile, Verizon Wireless
	Providers with signed agreements receiving access to dark fiber	3	I-Light, Smithville, ETC
	Please identify the speed tiers that are available and the number of subscribers for each	0	10meg to 100gig
Community Anchor Institutions (including Government institutions)	**Total subscribers served**	17	This is 4 behind our baseline. This is because of sites waiting on equipment.
	Subscribers receiving new access	17	This is 4 behind our baseline. This is because of sites waiting on equipment.
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number or subscribers for each	0	10meg to 100gig
Residential / Households	**Entities passed**	0	This is on target, this is a middle mile project.
	Total subscribers served	0	This is on target, this is a middle mile project.
	Subscribers receiving new access	0	This is on target, this is a middle mile project.
	Subscribers receiving improved access	0	This is on target, this is a middle mile project.
	Please identify the speed tiers that are available and the number of subscribers for each	0	This is on target, this is a middle mile project.
Businesses	**Entities passed**	0	This is on target, this is a middle mile project.
	Total subscribers served	0	This is on target, this is a middle mile project.
	Subscribers receiving new access	0	This is on target, this is a middle mile project.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	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).
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
Ivy Tech	Kokomo	College	no	The increase in bandwidth allows the Ivy Tech schools to handle greater bandwidth demands allowing for faster downloads and the demands from the increases in enrollment and the increase in the sizes of their schools.
Ivy Tech	Lafayette	College	no	The increase in bandwidth allows the Ivy Tech schools to handle greater bandwidth demands allowing for faster downloads and the demands from the increases in enrollment and the increase in the sizes of their schools.
Ivy Tech	Madison	College	no	The increase in bandwidth allows the Ivy Tech schools to handle greater bandwidth demands allowing for faster downloads and the demands from the increases in enrollment and the increase in the sizes of their schools.
Ivy Tech	Marion	College	no	The increase in bandwidth allows the Ivy Tech schools to handle greater bandwidth demands allowing for faster downloads and the demands from the increases in enrollment and the increase in the sizes of their schools.
Ivy Tech	Monticello	College	no	The increase in bandwidth allows the Ivy Tech schools to handle greater bandwidth demands allowing for faster downloads and the demands from the increases in enrollment and the increase in the sizes of their schools.
Ivy Tech	Muncie	College	no	The increase in bandwidth allows the Ivy Tech schools to handle greater bandwidth demands allowing for faster downloads and the demands from the increases in enrollment and the increase in the sizes of their schools.
Ivy Tech	Valparaiso	College	no	The increase in bandwidth allows the Ivy Tech schools to handle greater bandwidth demands allowing for faster downloads and the demands from the increases in enrollment and the increase in the sizes of their schools.
Ivy Tech	Warsaw	College	no	The increase in bandwidth allows the Ivy Tech schools to handle greater bandwidth demands allowing for faster downloads and the demands from the increases in enrollment and the increase in the sizes of their schools.

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
Ivy Tech	Anderson	College	no	The increase in bandwidth allows the Ivy Tech schools to handle greater bandwidth demands allowing for faster downloads and the demands from the increases in enrollment and the increase in the sizes of their schools.
Ivy Tech	Bloomington	College	no	The increase in bandwidth allows the Ivy Tech schools to handle greater bandwidth demands allowing for faster downloads and the demands from the increases in enrollment and the increase in the sizes of their schools.
Ivy Tech	Columbus	College	no	The increase in bandwidth allows the Ivy Tech schools to handle greater bandwidth demands allowing for faster downloads and the demands from the increases in enrollment and the increase in the sizes of their schools.
Ivy Tech	Goshen	College	no	The increase in bandwidth allows the Ivy Tech schools to handle greater bandwidth demands allowing for faster downloads and the demands from the increases in enrollment and the increase in the sizes of their schools.
Ivy Tech	Evansville	College	no	The increase in bandwidth allows the Ivy Tech schools to handle greater bandwidth demands allowing for faster downloads and the demands from the increases in enrollment and the increase in the sizes of their schools.
Ivy Tech	Indianapolis	College	no	The increase in bandwidth allows the Ivy Tech schools to handle greater bandwidth demands allowing for faster downloads and the demands from the increases in enrollment and the increase in the sizes of their schools.
Ivy Tech	FT Wayne	College	no	The increase in bandwidth allows the Ivy Tech schools to handle greater bandwidth demands allowing for faster downloads and the demands from the increases in enrollment and the increase in the sizes of their schools.
Ivy Tech	Franklin	College	no	The increase in bandwidth allows the Ivy Tech schools to handle greater bandwidth demands allowing for faster downloads and the demands from the increases in enrollment and the increase in the sizes of their schools.
Ivy Tech	Gary	College	no	The increase in bandwidth allows the Ivy Tech schools to handle greater bandwidth demands allowing for faster downloads and the demands from the increases in enrollment and the increase in the sizes of their schools.

Project Indicators (Next Quarter)

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

Zayo should have 610 miles built by next quarter.
Zayo should have 18 CAI's connected by next quarter.
Zayo should have 10 last mile providers signed by next quarter.

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	74	This is 26% behind our baseline and this is because of cost savings.
2b.	Environmental Assessment	0	Zayo did not plan for this in our budget. This was part of our network design.
2c.	Network Design	96	This percentage is based on spend based on the total for both awards. This is 4% behind our baseline. Zayo is currently running under budget.

RECIPIENT NAME:Zayo Group, LLC

AWARD NUMBER: NT12BIX5570001

DATE: 08/31/2012

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2d.	Rights of Way	0	Zayo did not plan for this in our budget. This was part of our network design.
2e.	Construction Permits and Other Approvals	0	Zayo built this costs into our construction budget. We did not make it a separate line item.
2f.	Site Preparation	88	This percentage is based on spend based on the total for both awards. This is 22% behind our baseline. Zayo is currently running way under budget.
2g.	Equipment Procurement	100	This is in line with our baseline.
2h.	Network Build (all components - owned, leased, IRU, etc.)	73	This percentage is based on spend based on the total for both awards. This is 27% behind our baseline. Zayo is currently running way under budget.
2i.	Equipment Deployment	0	This is 100% below our baseline. This is because Zayo included this in our baseline plan but did not plan for it in our detailed budget.
2j.	Network Testing	0	This is because Zayo included this in our baseline plan but did not plan for it in our detailed budget. This is 100% behind our baseline.
2k.	Other (please specify): N/A	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 next quarter. We should be very close to being done.

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	$0	$0	$0	$0	$0	$0	$0	$0	$0
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	$291,273	$58,255	$233,018	$210,288	$42,057	$168,231	$281,193	$56,239	$224,954
e. Other architectural and engineering fees	$898,478	$179,696	$718,782	$898,478	$179,696	$718,782	$898,478	$179,696	$718,782
f. Project inspection fees	$0	$0	$0	$0	$0	$0	$0	$0	$0
g. Site work	$294,228	$58,846	$235,382	$85,843	$17,169	$68,674	$245,996	$49,200	$196,796
h. Demolition and removal	$0	$0	$0	$0	$0	$0	$0	$0	$0
i. Construction	$25,677,347	$8,655,469	$17,021,878	$12,664,058	$2,532,812	$10,131,246	$17,391,410	$6,998,282	$10,393,127
j. Equipment	$1,113,000	$222,600	$890,400	$1,065,027	$213,005	$852,022	$1,113,000	$222,600	$890,400
k. Miscellaneous	$0	$0	$0	$0	$0	$0	$0	$0	$0
l. SUBTOTAL (add a through k)	$28,274,326	$9,174,866	$19,099,460	$14,923,694	$2,984,739	$11,938,955	$19,930,077	$7,506,017	$12,424,059
m. Contingencies	$0	$0	$0	$0	$0	$0	$0	$0	$0
n. TOTALS (sum of l and m)	$28,274,326	$9,174,866	$19,099,460	$14,923,694	$2,984,739	$11,938,955	$19,930,077	$7,506,017	$12,424,059

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