

RECIPIENT NAME:Zayo Bandwidth, LLC

AWARD NUMBER: NT10BIX5570071

DATE: 02/14/2011

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

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

NT10BIX5570071

3. DUNS Number

807871632

4. Recipient Organization

Zayo Bandwidth, LLC 901 Front Street Suite 200, Louisville, CO 80027-1839

5. Current Reporting Period End Date (MM/DD/YYYY)

12-31-2010

6. Is this the last Annual Report of the Award Period?

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

David Lundy

7c. Telephone (area code, number and extension)

3039477052

7d. Email Address

dlundy@zayo.com

7b. Signature of Certifying Official

Submitted Electronically

7e. Date Report Submitted (MM/DD/YYYY):

02-14-2011

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)	67,055.90	N/A
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)	10Gbps	N/A
Maximum broadband speed advertised (Last Mile)	0	N/A
Average broadband speed provided (Middle Mile)	1Gbps	N/A
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
N/A	N/A	N/A	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)

N/A, Per our baseline, this will not take place until Q2 of year 2.

Peering and Transit Agreements (600 words or less)

N/A

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)	0	Public Housing	0
Libraries	0	Other Institutions of Higher Education	0
Medical and Healthcare Providers	0	Other Community Support Organizations	0
Public Safety Entities	0	Other Government Facilities	0
Community Colleges	0	Total Community Anchor Institutions	

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).

On average institution customers will see at least a 20x increase in available bandwidth. In a small sample of institutions visited, the current common broadband speeds ranged from T1 (1.544Mbps) to 10Mbps Cable Modem. The majority of institutions will have an access port with at least 100Mbps rate, most Academic Type locations will have a 1Gbps available bandwidth. Given our sample data's average bandwidth of about 5Mbps, we can expect on average a 20x increase to the 100Mbps service.

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:

The Zayo Bandwidth Middle Mile Proposal leverages dark fiber, DWDM (Dense Wave Division Multiplexing), and SONET (Synchronous Optical Network) technologies to provide Point to Point Private Line, Ethernet, Wavelength, Dark Fiber and Dedicated Internet services to last mile providers and end users. High count single mode fiber is being deployed in rings and linear spurs off of Zayo

Bandwidth's existing network infrastructure to maximize the reach of the proposal. DWDM and SONET technologies are being deployed over the fiber to enable 1.5M to 10G services from the newly reached communities to the Zayo network infrastructure and the internet. The proposal provides interconnect points for connectivity to last mile providers or end users in the various markets via strategically placed points along the fiber path.

From each interconnection point, Zayo will be capable of delivering Ethernet, Private Line, Wavelength, Dark Fiber and Dedicated Internet Access services from 1.5Mbps to 10Gbps via industry standard interfaces. A last mile provider or end user can connect to Zayo Bandwidth at any interconnection point via 2 fiber or 4 fiber optical interfaces. A 2 fiber interface is provided for Ethernet, Wavelength, and Unprotected SONET services while a 4 Fiber interface is used to provide Protected SONET services. The interconnection will leverage industry standard SONET interfaces at OC3, OC12, OC48, or OC192 SONET rates for the various service types, or can leverage standard Gigabit or 10Gigabit Ethernet interfaces for Ethernet private line, Wavelength, and Dedicated Internet Access services. A last mile provider or end user can also request that Zayo Bandwidth extend from a standard interconnection point to their facility. In this case Zayo Bandwidth would construct new fiber from an interconnection point to the customers designated premise and deploy equipment at the premise as appropriate for the requested service type. This extension is provided on an Individual Case Basis (ICB) and is dependent on the distance and complexity of the build.

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)?

Zayo will provide a customer with the bandwidth subscribed to, e.g. DS3 (45meg), Fast Ethernet (100meg or fractions thereof), etc. Zayo does not limit a customer's bandwidth up to the subscribed level, but will "choke" the bandwidth once the level is met. Traffic prioritization is not needed, since Zayo is not providing an "MPLS" type service. Customers may, at their discretion, elect to run VLANs, traffic shaping or prioritization within the confines of their subscribed to bandwidth. Zayo's standard Master Service Agreement carries language forbidding customers from using the service for any unlawful act. We do not block customer traffic from any site deemed legal and lawful, but clearly will comply with government sanctions against sites found to be harmful or illegal. Customer may attach any legal device to our service, and we have not prevented customers from doing this at any time.

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).

N/A

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:
 Currently have IRU Agreement in place with Anoka County to provide 8 Dark Fibers upon completion of Fiber Construction @ a Rate \$ \$1.00 per month for 30 years.

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
0	0	0	0

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).

All 145 Anchor Institutions are providing Zayo with Rack Space or Location for Zayo to place necessary Racks. Any new customers in the future it would be necessary to do the same.

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).

0. Zayo has only awarded one subcontract so far on this grant. That subcontract is for Environmental Assessment and Route Development. Zayo has an internal target of 12% to 15% SBD for this project and is working hard to meet this target.

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

N/A

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