

RECIPIENT NAME: Eagle-Net Alliance

AWARD NUMBER: NT11BIX5570001

DATE: 02/20/2014

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

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
4. Recipient Organization Eagle-Net Alliance 11800 Ridge Pkwy, Broomfield, CO 80021-6525		
5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2013	6. Is this the last 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	7c. Telephone (area code, number and extension)	
	7d. Email Address	
7b. Signature of Certifying Official	7e. Date Report Submitted (MM/DD/YYYY):	

Project Indicators (This Quarter)

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

Significant accomplishments during the quarter ending 12/31/2013 include:

- The selection and signed agreement with a Network Operator, Affiniti. This agreement will ensure EAGLE-Net's sustainability with Affiniti taking over the cost of network operations, will add to the network build to more schools with a minimum \$11.5m capital contribution over the next five years, and will ensure that all contracted CAIs receive excellent support for all of their broadband needs going forward.
- Completing connections to ten new CAIs.
- The completion of 67 new miles of fiber build.
- Obtaining approval from the NTIA to allow the finalization of a Facilities Exchange agreement with an incumbent provider. This agreement will add 26.7 miles to the EAGLE-Net network over the next nine months.
- Presentation made to Colorado State Legislative Audit Committee.
- Continued efforts to work with local service providers on potential deals to share similar routes.

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	96	The Baseline projection was for the network to be completed by August 31, 2013. We fell short of that projection, however, we did receive an approval of our extension request to continue network construction through December 31, 2014. So, construction has continued through this quarter with our overall percentage complete at 96%.
2b.	Environmental Assessment	100	This milestone and the associated spend were completed with both the awarding of the initial FONSI as well as work done for the Supplemental EA.
2c.	Network Design	100	Although the logical and network design is complete, the design will continue to be fine-tuned as the design/build process continues.
2d.	Rights of Way	100	The dollar amount in this category is substantially higher than the original baseline projection as in the approved budget reprogram, we are now using CDOT rights of way to complete our total match percentage.
2e.	Construction Permits and Other Approvals	100	The original baseline estimate for this category was substantially understated, and has been adjusted in the approved budget reprogram.
2f.	Site Preparation	8	This amount is lower than the baseline projection of 100% as costs that were originally in this category are now part of the Network Build category. This change has been adjusted in the approved budget reprogram.
2g.	Equipment Procurement	97	Although network type 2 and 3 equipment has been purchased, there will be some additional procurement of wireless equipment as the final stages of the network are constructed.
2h.	Network Build (all components - owned, leased, IRU, etc)	75	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 the baseline projection of 100% complete. We did complete construction of 67 new fiber miles, and are continuing to complete previously started routes and laterals this quarter.
2i.	Equipment Deployment	42	This amount from the original baseline estimate is high, and has been changed in the approved budget reprogram.
2j.	Network Testing	0	This category had been absorbed into the Network Build costs as these expenses have not specifically been broken out. The adjustment has been made in the budget reprogram.
2k.	Other (please specify):	30	These costs were for the outside testing and warehouse facilities. These facilities were obtained later than anticipated and are less expensive than projected, so these dollars were reallocated in the approved 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).

One main challenge was the continuing negotiations with incumbent providers to find shared solutions to connect CAIs and to limit the amount of actual construction that we need to complete. Generally, these negotiations move much more slowly than we would like given our limited timeframe to complete the grant, and have sometimes fallen apart after many weeks or months of proposals. So, some of these negotiations slow us down at a critical time in the project.

We also had issues with our wireless build, as tower space that had been represented to us as being available either were not completed or did not meet our requirements. Therefore, we have been looking for alternate wireless solutions at a two CAIs, which again has slowed us down. Any changes in towers from our original approved design will require approved route changes to complete.

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	809	This quarter, 67 new fiber miles were completed, for a total of 809 new network miles. The baseline projection was for the project to be complete at 1,946 new network miles, however, because of design changes, including the change from wireless to fiber in many routes, and changes in routes deployed, the revised project goals are for a total of 1,070 new network miles deployed.
New network miles leased	1,947	The total leased miles did not change this quarter as no new IRUs were completed, although a few are in negotiations. This gives a total of 1,705 leased fiber miles and 242 leased wireless miles from local, regional and national Colorado providers. This is behind the original baseline total network projection of 2,466 leased miles as the number of wireless leases was decreased. However, the revised project goals are for a total of 2,020 leased miles, so we are closing in on that total.
Existing network miles upgraded	263	The baseline projection was for 317 miles to be upgraded by the end of the project, however all existing miles have been upgraded and completed at 263 miles, 73 wireless and 190 fiber.
Existing network miles leased	0	n/a. Consistent with the baseline report.
Number of miles of new fiber (aerial or underground)	809	Please note that the guidance for this metric has changed from total fiber miles in the baseline report (projected to be 1,694 constructed, leased and upgraded fiber miles) to only newly constructed fiber miles, which is the 809 reported here.
Number of new wireless links	24	The baseline projection was for 154 new wireless links. However, the revised project goals will total 37 wireless links, as the network has transitioned from a primarily wireless network to a primarily fiber network.
Number of new towers	0	The baseline projection was for 154 new towers. However, the revised project goals will total 0 new towers, as the network has transitioned from a primarily wireless network to a primarily fiber network. Although no new towers will be built, there will be some leased space on existing towers as part of the approved design plan.
Number of new and/or upgraded interconnection points	58	The baseline projection was for 184 new interconnection points. However, the revised project goal will total 78 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	8
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	33
Average term of signed agreements (in quarters)	6

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 26 wholesale and last mile providers. The MSAs provide the framework for actual service agreements of which there have been 8 open access purchases completed so far. Our baseline projection was for 18 agreements by the end of the project, so we are currently behind that estimate. However, we are in negotiation for another 33 MSAs, from which we expect to sign new service agreements in the next quarter.

The 8 completed open access agreements are with:



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 middle mile transport/backhaul to ISPs and other providers.

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).

During this quarter, an agreement was reached with Affiniti Colorado, LLC to be the overall network operator for the EAGLE-Net statewide network. This agreement commenced as of October 1, 2013 and is a 25 year agreement. Affiniti has been approved by the NTIA as sub recipient and will provide all operations activities for the network, with EAGLE-Net continuing ownership and managerial oversight for the network. Affiniti's headquarters are located at:

9208 Waterford Centre Blvd, Suite 150
 Austin, Texas 78758-7682.

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	8	Although only eight wholesalers and last mile providers are currently receiving service, we have several other agreements close to being executed once construction is completed.
	Providers with signed agreements receiving improved access	0	n/a. Consistent with the Baseline Report.
	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	4	Provider speed tiers include 2 at 100 Mbps, 3 at 300 Mbps, 2 at 600 Mbps and 1 at 1 Gbps.
Community Anchor Institutions (including Government institutions)	Total subscribers served	119	Ten new CAIs were connected this quarter, consisting of one library, one BOCES, and eight K-12 school districts (see the list of new connections in #9 below). These new connections result in a total of 119 connected CAIs. Of the total CAIs, EAGLE-Net is providing service to 63, either through direct contracts or via partnership agreements.
	Subscribers receiving new access	107	These are new CAI connections from either built fiber, leased fiber, microwave connections or agreements with local last mile providers.

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	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	4	The 53 school district customers and 5 BOCES customers to whom we are directly providing service fall into 4 tiers: 10-49 Mbps = 30 50-99 Mbps = 11 100-499 Mbps = 13 500 Mbps-1Gbps = 4
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).

As described in 5d above, we have engaged a network operator to be responsible for all operations of the statewide network. While in a transitional state during this quarter, day to day responsibilities of network operations, and some decisions concerning those operations are being handed over to Affiniti. While EAGLE-Net retains ownership and managerial oversight of the grant and the network, operational decisions will now be managed by Affiniti.

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
La Veta Regional Library	La Veta	Libraries	N	Connection to provide internet to enhance public access.
Pikes Peak BOCES	Colorado Springs	Other Community Support Organizations	Y	Connection to provide internet to enhance & improve student education.

RECIPIENT NAME: Eagle-Net Alliance

AWARD NUMBER: NT11BIX5570001

DATE: 02/20/2014

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

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
Aguilar Reorganized 6	Aguilar	Schools K-12	N	Connection to provide internet to enhance & improve student education.
Dolores RE-4A	Dolores	Schools K-12	N	Connection to provide internet to enhance & improve student education.
Huerfano RE-1	Walsenburg	Schools K-12	Y	Connection to provide internet to enhance & improve student education.
La Veta RE-2	La Veta	Schools K-12	Y	Connection to provide internet to enhance & improve student education.
Moffat County 1	Craig	Schools K-12	N	Connection to provide internet to enhance & improve student education.
Montezuma RE-1	Cortez	Schools K-12	N	Connection to provide internet to enhance & improve student education.
Sierra Grande R-30	Blanca	Schools K-12	N	Connection to provide internet to enhance & improve student education.
Westminster 50	Westminster	Schools K-12	N	Connection to provide internet to enhance & improve student education.

Project Indicators (Next Quarter)

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

Significant accomplishments for the next quarter include:

- Completing a budget reprogram to ensure that all costs for the approved remaining projects are allocated correctly to the appropriate cost classifications.
- Completion and issuance of our annual audit.
- Bid awards to contractors and completion of engineering for the Silverton network build.
- Continuation of build of the wireless sections of the network; approximately 80 miles of wireless will be built.
- Completion of one new fiber mile built and one new fiber mile leased (IRU).
- Build completions to five new CAIs.
- The addition of signed contracts with three new wholesale or last mile providers.
- Finalization of the network operations transition to Affiniti.

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	97	A project extension was approved through December 31, 2014. The final remaining dollars have been will be used in this quarter to continue with the wireless build as well as to start the first steps toward the Silverton build. It's expected that we will connect five new CAIs this quarter.
2b.	Environmental Assessment	100	This spend category is complete.
2c.	Network Design	100	This spend category is complete.
2d.	Rights of Way	100	This spend category is complete.
2e.	Construction Permits and Other Approvals	100	This spend category is complete.
2f.	Site Preparation	8	Most costs that were initially in this category are now in the Network Build category, as shown in the approved budget reprogram.
2g.	Equipment Procurement	98	Although almost complete, there will be additional purchases for wireless equipment in 2014.

RECIPIENT NAME: Eagle-Net Alliance

AWARD NUMBER: NT11BIX5570001

DATE: 02/20/2014

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

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2h.	Network Build (all components - owned, leased, IRU, etc.)	76	Most of the remaining spend will be in this category, although it will be reduced during the winter months. The Silverton build contractor will be selected and the build will begin this Spring and be completed the latter part of that year, so the budgeted money for that build won't be spent until then.
2i.	Equipment Deployment	42	Most costs that were initially in this category are now in the Network Build category, as shown in the the approved budget reprogram.
2j.	Network Testing	0	All costs that were initially in this category are now in the Network Build category, as shown in the the approved budget reprogram.
2k.	Other (please specify):	33	Most costs that were initially in this category are now in the Network Build category, as shown in the the approved budget reprogram.

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).

There is a potential for weather to be a challenge during the first quarter of 2014. There are certain build milestones that we would like to meet, despite the possibility of winter weather.

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	\$9,230,560	\$0	\$9,230,560	\$8,601,886	\$0	\$8,601,886	\$8,751,886	\$0	\$8,751,886
b. Land, structures, right-of-ways, appraisals, etc.	\$36,811,327	\$33,615,587	\$3,195,740	\$36,150,255	\$33,615,587	\$2,534,668	\$36,160,255	\$33,615,587	\$2,544,668
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$17,333,200	\$1,050,000	\$16,283,200	\$16,051,430	\$1,050,000	\$15,001,430	\$16,358,582	\$1,050,000	\$15,308,582
e. Other architectural and engineering fees	\$0	\$0	\$0	\$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	\$53,279,568	\$0	\$53,279,568	\$54,189,469	\$0	\$54,189,469	\$54,668,941	\$0	\$54,668,941
j. Equipment	\$18,646,122	\$0	\$18,646,122	\$14,771,083	\$0	\$14,771,083	\$14,929,635	\$0	\$14,929,635
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	\$129,764,123	\$34,665,587	\$95,098,536	\$130,869,299	\$34,665,587	\$96,203,712
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	\$129,764,123	\$34,665,587	\$95,098,536	\$130,869,299	\$34,665,587	\$96,203,712

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
---	--------------------------------

--