

RECIPIENT NAME: Eagle-Net Alliance

AWARD NUMBER: NT11BIX5570001

DATE: 05/30/2013

OMB CONTROL NUMBER: 0660-0037
EXPIRATION DATE: 12/31/2013

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) 03-31-2013	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):	

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Project Indicators (This Quarter)

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

First quarter accomplishments included:

- Hiring a new President to lead the organization going forward.
- Environmental reviews and submissions in order to complete the process to obtain a new "Finding of No Significant Impact" (FONSI) and have the temporary suspension lifted. The final supplemental EA was submitted on March 19, 2013.
- The awarding of several E-Rate contracts to provide service to school districts for the 2013-2014 school year.
- Continuing community outreach activities with CAIs, state, regional and local governments, local technology groups, the press, and other interested parties. There were many questions raised publicly with the suspension, so it was important to increase our community outreach efforts.

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 98% complete. A major part of the lag in the completion percentage is due to the temporary suspension put on construction spending in the last quarter. Not only was EAGLE-Net required to stop all design and construction activities, but there was previously completed work that we were unable to pay for due to the federal funds being frozen during the suspension. With these accrued expenses, we would actually be close to 77% complete. Also, note that the percent complete has decreased by 1% since the last quarter due to the CDOT Rights of Way adjustment described below.
2b.	Environmental Assessment	100	This milestone and the associated spend were completed when the initial 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 as the design/build process continues. 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 100% 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 99%, although if we added the accrued cost of equipment purchased but not yet paid, we would be at 77% 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 98% complete. This is in part due to the delays encountered with the grant transfer and in achieving the FONSI, as well as with the temporary construction suspension from December 6. 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 about 77% complete. As of the construction stoppage, we had completed 660 miles of new fiber construction in addition to 1,960 leased miles and 263 upgraded network miles.
2i.	Equipment Deployment	26	Equipment was deployed only as routes and laterals were completed and CAIs were connected. With the original construction delays and now the temporary construction suspension, we are trailing our baseline projection of 99% complete. However, the accrued amount would increase our completion 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):	22	The costs of the outside testing and warehouse facilities is behind our baseline projection of 98%. 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).

The biggest issue has been the temporary construction suspension that EAGLE-Net had been under since December 6. Challenges have included the time and effort to provide all of the requested data by the various agencies to obtain the new FONSI, the temporary suspension of funds that have prevented contractors from being paid for work already completed, and the lost time to finish partially built routes, many of them close to completion at the time of the suspension. In addition, although we did win several new contracts with school districts for the new school year, we also lost out on some contracts because of the perceived uncertainty of our situation, even though our proposals offered the lowest cost along with the best technology solutions.

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 unchanged from last quarter due to our temporary construction suspension, and are behind our baseline projection of 1,907 miles. We are awaiting approval of our route modifications that have been submitted to the NTIA which include more fiber miles and less wireless miles, resulting in less total miles than originally projected.
New network miles leased	1,960	This total leased miles amount includes 1,718 leased fiber miles as well as 242 leased wireless miles from local, regional and national Colorado providers. While we are exceeding the original projection for leased fiber miles, we are behind the projection for leased microwave miles, leaving us in total behind the baseline projection of 2,417 leased miles.

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Existing network miles upgraded	263	The baseline report projected 311 miles to be upgraded by this quarter, and 317 miles by the end of the project. However, all existing miles have been upgraded and completed at 263 total miles.
Existing network miles leased	0	n/a. Consistent with the baseline report.
Number of miles of new fiber (aerial or underground)	660	This is behind our baseline projection of 1,660 miles of new fiber due to the early construction delays with the grant transfer and in achieving the FONSI.
Number of new wireless links	24	This is behind our baseline projection of 151 wireless links.
Number of new towers	0	Although the baseline projection is for 151 new towers by this quarter, the submitted route modification request shows that no new towers will be build for the project, so the number of new towers will remain at 0.
Number of new and/or upgraded interconnection points	54	This is behind the baseline projection of 180 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	17	
Average term of signed agreements (in quarters)	8	
<p>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 23 wholesale and last mile providers. The MSAs provide the framework for actual service agreements of which there have been 5 open access purchases completed so far. Our baseline projection was for 16 agreements, so we are behind that estimate. In addition, we are in negotiation for another 17 MSAs. Once the temporary construction suspension has been lifted and we can complete the network segments that are now close to completion, we have 8 new open access purchase agreements close to be executed.</p> <p>The 5 completed open access agreements are with:</p> <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>		
<p>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:</p> <p>We are providing transport to the ISP or intra-state transport for the wholesale providers' customers.</p>		
<p>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).</p> <p>n/a. No third parting is operating the EAGLE-Net network.</p>		
<p>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).</p>		

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	Although only 5 wholesalers and last mile providers are currently receiving service, we have several other agreements ready to be executed once construction resumes and routes are 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.
Community Anchor Institutions (including Government institutions)	Please identify the speed tiers that are available and the number of subscribers for each	0	The network is capable of providing 1 Gbps, multiple 1 Gbps and 10 Gbps connections based on the subscribers' requests.
	Total subscribers served	104	We are connected to 104 of the potential 223 CAIs in our project, or 47%. With the temporary construction stoppage, we were unable to continue builds to several others that are close to completion, however these will be connected once construction resumes. 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 build fiber, leased fiber, or microwave connections.
	Subscribers receiving improved access	12	These are upgraded CAI connections from the original Centennial BOCES network.
Residential / Households	Please identify the speed tiers that are available and the number of 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.
	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.
Businesses	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.
	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.

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
n/a	n/a	n/a	n/a	n/a. As we are currently under a temporary construction suspension, there were no new CAIs connected this quarter.

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 The one essential planned accomplishment is to receive the new FONSI and to have the temporary suspension lifted. This will allow us to pay our contractors for their work performed and resume the construction necessary to finish the network. As stated earlier, there are several routes that were close to completion before the suspension, so these will be completed and those CAIs will be connected in the coming months. However, since the physical deployment of resources will take some time, we anticipate that by the end of the next quarter, we will have completed eight new fiber miles and have connections for two new CAIs. Because of the limited completion of routes by June 30, we anticipate having two new agreements with open access providers completed.

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	93	This total will be behind our original projection of 100% percent complete because of the delays at the beginning of the project as well as the recent temporary construction suspension. However, we anticipate the suspension to be lifted and funds freed up to pay for completed work as well as to begin the work on the final approved routes.
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	100	We anticipate the change in the CDOT match amount to be approved, and the amount on routes already completed or in progress will be booked this quarter. Although this amount will be below our rebudgeted amount, it will far exceed the original baseline projection.
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	9	This amount is lower than the baseline projection of 100% 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	76	The Equipment spend amount will be below the baseline projection of 100% 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.
2h.	Network Build (all components - owned, leased, IRU, etc.)	76	The network build amount is behind the projection of 100% complete due to the previously mentioned delays.
2i.	Equipment Deployment	45	Equipment deployment will be far below the 100% projection as pending the lifting of the suspension during this quarter, construction will be mobilized, but the equipment can only be installed as the routes are completed.

	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 these 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):	25	The costs of the outside testing and warehouse facilities will be well behind the baseline projection of 100% as the facilities were obtained later than anticipated and are less expensive than the projected amount.

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).

Challenges will include obtaining the FONSI and having the temporary construction suspension lifted very quickly. Once this is done, we will need to pay our contractors as soon as possible so that they can quickly deploy to complete the remaining routes and connect to the remaining CAIs. Because of the many delays, both at the beginning of the project as well as the recent construction delays, catching back up to complete the network by August 30 will be a real challenge. Because of this, we do anticipate submitting an application for extension of time to complete the project. Also, because of lost or delayed revenue opportunities during the recent suspension, we will have to put extra effort into executing new service agreements as soon as construction on targeted routes and segments are complete. We do have several opportunities to sell open access agreements to several interested carriers, so we will need to quickly follow up with those potential customers.

Also, please note that we anticipate the new budget reprogram to be approved in the next quarter. As part of that reprogram, the budget category amounts have changed, and the NTIA has asked that we use those new category amounts on the "Infrastructure Budget Execution Details" page (the last page) of this report for the "Anticipated Actuals" for the next quarter.

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	\$886,335	\$0	\$886,335	\$8,370,304	\$0	\$8,370,304
b. Land, structures, right-of-ways, appraisals, etc.	\$24,832,866	\$11,912,238	\$12,920,628	\$9,365,308	\$8,318,958	\$1,046,350	\$34,326,473	\$31,937,974	\$2,388,499
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	\$14,949,507	\$600,000	\$14,349,507
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	\$57,282,940	\$1,025,000	\$56,257,940	\$55,793,021	\$0	\$55,793,021
j. Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$12,858,509	\$0	\$12,858,509
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	\$77,189,287	\$9,343,958	\$67,845,329	\$126,297,814	\$32,537,974	\$93,759,840
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	\$77,189,287	\$9,343,958	\$67,845,329	\$126,297,814	\$32,537,974	\$93,759,840

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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