

RECIPIENT NAME: Eagle-Net Alliance

AWARD NUMBER: NT11BIX5570001

DATE: 09/04/2013

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)

06-30-2013

6. Is this the last 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

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).

Accomplishments during the quarter included:

- Completing and having approved the new statewide Supplemental Environmental Assessment (EA) and receiving a new FONSI.
- Beginning construction once the temporary construction suspension was lifted. Eight new miles and connections to one new CAI via a local provider/partner were completed this quarter.
- Winning 14 new e-rate contracts to be delivered in the 2013-2014 school year.
- Completing a contract with one new local provider.
- Purchasing a new IRU for 4 miles near Craig, Colorado.
- Having a new budget re-program approved by the NTIA. Please note that the milestones of Percent Complete shown below in section 2 are based on the Baseline Report, which did not change. However, the various expense category amounts did change in the newly approved budget. See the last page of this report for an update of the new approved budget.

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	90	In the baseline report, we had projected that we would be 100% complete with the overall project by the end of this quarter. Although we are behind that estimate, there was a large increase in our percentage complete from last quarter to this one. This was due to the lifting of the temporary suspension giving us the ability to pay our contractors the amounts owed for previously completed work, and the approval to use CDOT rights of way as in-kind match for all construction started along those rights of way. While we did resume construction in June, those invoices won't be received and paid until July.
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 recently approved budget reprogram, we are now using CDOT rights of way to complete our 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 recently approved 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. This change has been adjusted in the recently approved budget reprogram.
2g.	Equipment Procurement	96	Although network type 2 and 3 equipment has been purchased, there will be some additional procurement of wireless equipment.
2h.	Network Build (all components - owned, leased, IRU, etc)	70	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. Although there was a large increase over last quarter due to the ability to pay our contractors for work that had already been performed, and we did resume construction work in June and completed 8.2 new miles, there are still construction activities to be completed.
2i.	Equipment Deployment	30	This amount in the original baseline estimate is high, and has been changed in the recently approved budget reprogram.

	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 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):	25	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 recently 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).

The biggest challenge was the work involved in providing all documentation to get off of the temporary construction suspension on which we'd been placed since December. Since we weren't allowed to perform any construction related activities, once the suspension was released, we had to quickly make schedule and design changes so that we could begin deployment as soon as possible. So, although the suspension was released on April 29, actual construction was not re-started until the second week in June. One other consequence of the suspension was that we lost potential customers as part of the e-rate process. There were situations where, even though we offered the best technology at the lowest price, we were not awarded the contract because of the suspension. In other cases, the suspension put us behind the original build schedule, so that we were unable to offer service at the beginning of the contract year, July 2013. However, the NTIA worked with us to complete the lifting of the suspension and to complete a new budget and schedule so that we can get back to building the statewide network as quickly as possible.

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)
Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
New network miles deployed	668	The total miles deployed increased by only 8 miles due to the temporary construction suspension that was just lifted during the quarter. Therefore, construction activities didn't resume until the second week of June. 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 increased by 4 miles this quarter, however, a correction of from Quarter 4, 2012 reduced the leased miles by 17 miles for a leg was not needed for the network, for a net reduction of 13 miles, and a total of 1,705 leased fiber miles and 242 leased wireless miles from local, regional and national Colorado providers. This is behind the 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)	668	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 668 reported here.

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
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.
Number of new and/or upgraded interconnection points	56	The baseline projection was for 184 new interconnection points. However, the revised project goal will total 78 new interconnection points.

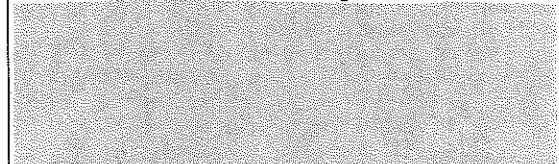
For questions 5 and 6 please include information relating to agreements that you are negotiating or have entered into, or that your sub recipient, contractor or subcontractor is negotiating or entered into.

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	6
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	8
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 24 wholesale and last mile providers. The MSAs provide the framework for actual service agreements of which there have been 6 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 8 MSAs in addition to the 18 existing MSAs that are awaiting segments of network completion to complete service agreements. The temporary suspension caused us to fall further behind our schedule, so MSAs that were prepared to become service agreements were delayed, but now that we have begun construction again, several of these should be executed in the next quarter.

The 6 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 third party operates (600 words or less).

n/a. No third party is operating the EAGLE-Net network. However, during this quarter we began an Invitation to Negotiate (ITN) process to select a partner/network operator to operate the network in the future. This selection process will continue into the third 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)

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	6	Although only 6 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	3	Provider speed tiers include 2 at 100 Mbps, 2 at 300 Mbps, and 2 at 600 Mbps. Speed tiers available are up to 1 Gbps.
Community Anchor Institutions (including Government institutions)	Total subscribers served	105	We added one new connection to school districts via a local provider in June. So, we are connected to 105 of the potential 223 CAIs in our project, or 47%. In addition, although not directly connected, we are providing service through local partners to 7 of the 10 school districts that we took off of our list because of BIP overlap issues (these are not included in the 105 connections). We are supplying these schools' local providers with backhaul service.
	Subscribers receiving new access	93	These are new CAI connections from either built fiber, leased fiber, microwave connections or agreements with local last mile providers.
	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 of subscribers for each	4	The customers to whom we are providing service fall into 4 tiers: 10-49 Mbps = 12 50-99 Mbps = 6 100-499 Mbps = 12 500 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).

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
Genoa-Hugo C113 School District	Lincoln County	Schools (K-12)	No	CAI has potential to receive improved Internet access.

Project Indicators (Next Quarter)

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

We hope to complete three major accomplishments during the next quarter. The first is to submit an extension request and have it approved through December, 2014. This is the time that it will take us to complete the Silverton build. The second is to have some route changes approved, as we have been able to work out agreements with some local providers to purchase IRUs rather than to build to a few CAIs. The third is to complete our process to select a partner/network operator so that we can complete our build and while still administering the network, have an experienced entity take over the day to day operations of the network. In addition, we expect to have completed the build of 165 new fiber miles, to have purchased an additional 35.6 miles of an IRU, and to have connected 12 new CAIs, 4 of which we'll immediately be providing service to via e-rate contracts. We also plan to have seven new signed agreements with wholesale providers providing new income during the 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	94	The project will not be completed by the end of the next quarter, so an extension request will be submitted. The final remaining dollars have been committed to complete builds to 29 CAIs, most of which will be complete by the end of the year, with the exception of the Silverton build, which won't be completed until the latter part of 2014.
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	Some costs that were in this category are now in the Network Build category, as shown in the approved budget reprogram.
2g.	Equipment Procurement	96	There will be some new equipment purchases for wireless equipment, but probably not until the 4th quarter.
2h.	Network Build (all components - owned, leased, IRU, etc.)	74	Construction will resume in full in July, with much activity during this quarter. However, a lot of the activity is to complete previously started routes and laterals and to splice previously laid fiber. Most of the remaining spend will be in this category.
2i.	Equipment Deployment	30	Some costs that were in this category are now in the Network Build category, as shown in the approved budget reprogram.
2j.	Network Testing	0	Some costs that were in this category are now in the Network Build category, as shown in the approved budget reprogram.
2k.	Other (please specify):	28	Some costs that were in this category are now in the Network Build category, as shown in the approved budget reprogram.

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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 during the next quarter will be to ensure approval of our extension submission to complete our network build past the 8/31/2013 deadline. With the previous delays in our project, we will not be able to complete the approved network in the previous time allotted. In addition, we are still negotiating with several local providers on some routes which may necessitate that route changes be submitted and approved. The challenge will be to ensure that our submissions for both of these processes are complete and to try to expedite approval as much as possible.

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	\$7,987,805	\$0	\$7,987,805	\$8,365,172	\$0	\$8,365,172
b. Land, structures, right-of-ways, appraisals, etc.	\$36,811,327	\$33,615,587	\$3,195,740	\$34,123,919	\$31,596,583	\$2,527,336	\$36,143,333	\$33,615,587	\$2,527,746
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	\$14,652,436	\$1,050,000	\$13,602,436	\$15,157,842	\$1,050,000	\$14,107,842
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	\$50,624,658	\$0	\$50,624,658	\$53,484,389	\$0	\$53,484,389
j. Equipment	\$18,646,122	\$0	\$18,646,122	\$14,451,717	\$0	\$14,451,717	\$14,453,232	\$0	\$14,453,232
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	\$121,840,535	\$32,646,583	\$89,193,952	\$127,603,968	\$34,665,587	\$92,938,381
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	\$121,840,535	\$32,646,583	\$89,193,952	\$127,603,968	\$34,665,587	\$92,938,381

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