

RECIPIENT NAME: Eagle-Net Alliance

AWARD NUMBER: NT11BIX5570001

DATE: 11/25/2013

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)

09-30-2013

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).

Significant accomplishments during this quarter included:

- Approval of our extension request to continue construction up to December 31, 2014.
- Completion of 74 newly constructed fiber miles in the San Luis Valley and Southwest areas of the state.
- Connection provided to 3 new CAIs, 2 of which are receiving service from EAGLE-Net. In addition, there was the addition of 3 CAIs that had been connected in prior periods, but had not been included on the report.
- Service provided to 2 previously connected CAIs in Widefield and Elbert school districts.
- Service agreement signed and service begun to 1 new wholesale service provider.
- Selection of Network Operator "final candidate" completed, and negotiations started on a definitive agreement.
- Presentation made to Colorado State Legislative Audit Committee.
- Continued efforts to work with local service providers on potential deals to share similar routes.
- Despite the recent catastrophic flooding in Colorado, we experienced only one service outage on the network. The outage was on one of our IRU'd fiber routes where an overhead fiber path that crossed a river was damaged. Working with the service provider, the service was able to be restored by being routed to an alternate facility prior to the school district reopening.

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	94	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 percentage complete at 94%
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	96	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)	74	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 74 new fiber miles, and are continuing to complete previously started routes and laterals this quarter.
2i.	Equipment Deployment	30	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.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2k.	Other (please specify):	28	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).

Now that we have received approval of our extension request, we have been trying to finalize potential cooperative agreements with local providers. To the extent that we reach agreements, these will result in submitting route changes, as our approved FONSI stipulated that we build the approved routes and we had received environmental approval for those exact routes. If any route is changed because of a partnership agreement or for any other reason, there may be extra time required to submit and receive approval of the route change.

We also had some impact from the major flooding in Colorado, as some construction was delayed and crews and personnel had to be focused on clean up and repair work to the existing network during this time rather than new network deployment.

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)
Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
New network miles deployed	742	This quarter, 74 new fiber miles were completed, for a total of 742 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)	742	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 742 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.

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
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	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	7
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	19
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 7 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 19 MSAs, of which we expect to sign 3 new service agreements in the next quarter.

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 continued our Invitation to Negotiate (ITN) process by selecting the "final" candidate and beginning negotiations on an agreement to operate the network sometime during the next quarter. The definitive agreement will be completed and the announcement will be made in the fourth quarter 2013.

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)

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	7	Although only 7 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, 3 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	109	We performed a review of the APR list of connected CAIs and found four errors; two CAIs that were on the list and should not have been, and two CAIs that were not on the list and should have been. So, the total number of connected CAIs remained at 104 as of 12/31/2012. In the 2013 second quarter PPR, we added one CAI, Genoa-Hugo, However, there should have been a second CAI added, Woodlin, also connected via a partner. This quarter we added two new connections to school districts, Hoehne and Meeker, as well as to the Meeker Regional Library, so we are connected to 109 of the potential 223 CAIs in our project (these four new CAIs, in addition to the two that were missed in 2012, Mapleton and Falcon, have been added to the CAI list in #9 below). In addition, although not directly connected, we are providing service through local partners to 8 of the 10 school districts that we took off of our list because of BIP overlap issues (these are not included in the 109 connections). We are supplying these schools' local providers with backhaul service.
	Subscribers receiving new access	97	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 37 school district customers and 2 BOCES customers to whom we are providing service fall into 4 tiers: 10-49 Mbps = 15 50-99 Mbps = 7 100-499 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).

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
Hoehne R3 School District	Las Animas County	Schools K-12	Yes	Connection to provide internet to enhance & improve student education.
Woodlin R-104 School District	Washington County	Schools K-12	No	Connection to provide internet to enhance & improve student education.
Falcon 49 School District	El Paso County	Schools K-12	No	Connection to provide internet to enhance & improve student education.
Mapleton 1 School District	Denver County	Schools K-12	No	Connection to provide internet to enhance & improve student education.
Meeker RE1 School District	Rio Blanco County	Schools K-12	Yes	Connection to provide internet to enhance & improve student education.
Meeker Regional Library District	Rio Blanco County	Libraries	No	Connection to provide internet to enhance public access.

Project Indicators (Next Quarter)

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

Accomplishments will include:

- Finalizing a definitive agreement with a network operator.
- Construction of 2 miles of new fiber.
- IRUs for 40.9 miles of leased fiber.
- Connection to 13 new CAIs, including providing service to 4 of these school districts.
- Providing service to 3 new wholesale providers as well as the signing of 19 new master service agreements to lay the parameters for future service agreements.

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	96	A project extension was approved through December 31, 2014. The final remaining dollars have been committed to complete builds to 29 school district CAIs, with the wireless builds and the Silverton build not completed until their scheduled completion in 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.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
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	97	Although almost complete, there will be additional purchases for wireless equipment in 2014.
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 is expected to start in the Spring of 2014 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):	30	Most costs that were initially in this category are now in the Network Build category, as shown in the the approved budget reprogram.
<p>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).</p> <p>The biggest challenges will be finalizing the agreement with the new Network Operator, and beginning the transition for that entity to begin the daily management of the network. Also, as winter begins, construction will be slowed for the next few months, leaving much of the wireless construction as well as the Silverton build to be completed in 2014.</p>			

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	\$8,382,290	\$0	\$8,382,290	\$8,606,368	\$0	\$8,606,368
b. Land, structures, right-of-ways, appraisals, etc.	\$36,811,327	\$33,615,587	\$3,195,740	\$36,143,333	\$33,615,587	\$2,527,746	\$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	\$15,138,417	\$1,050,000	\$14,088,417	\$16,173,559	\$1,050,000	\$15,123,559
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	\$53,481,489	\$0	\$53,481,489	\$54,715,142	\$0	\$54,715,142
j. Equipment	\$18,646,122	\$0	\$18,646,122	\$14,453,232	\$0	\$14,453,232	\$14,895,320	\$0	\$14,895,320
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	\$127,598,761	\$34,665,587	\$92,933,174	\$130,533,722	\$34,665,587	\$95,868,135
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	\$127,598,761	\$34,665,587	\$92,933,174	\$130,533,722	\$34,665,587	\$95,868,135

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

--	--