

RECIPIENT NAME: Eagle-Net Alliance

AWARD NUMBER: NT11BIX5570001

DATE: 03/12/2015

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)

12-31-2014

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 project accomplishments completed during this quarter include:

- Approval of our extension request to continue network construction through September 30, 2015. This was necessary mostly because of previous delays in the completion of the Silverton route. With winter weather now upon us, we won't be able to resume construction there until late Spring or early summer.
- 6.5 miles of conduit construction on the Durango to Silverton route completed.
- Finalizing a purchase of fiber to connect to the EAGLE-Net network's grant-named peering location at the National Center for Atmospheric Research (NCAR) Supercomputing Center in Cheyenne, Wyoming for 12.8 miles.
- Completion of an agreement to exchange fiber Idefeasible Rights of Use (IRUs) with another Broadband Technology Opportunities Program (BTOP) recipient in Colorado. The exchange increases the footprint of each entity's network by 34.3 miles.
- Community Outreach activities in Southeast Colorado, including presenting at a community event in Silverton, "Bridging the Fiber Divide" to discuss the Silverton build schedule and the potential once our network there is completed. It is important to keep the communities, the Colorado Department of Transportation (CDOT), and the U.S. Forest Service apprised of the current completion schedule for the Durango - Silverton build. We also continued to keep the town of Silverton and especially the Silverton school district apprised of our build activities and changing schedule.
- Kept in close communication with our Network Operator, Affiniti, regarding ongoing proposals to new Community Anchor Institutions (CAIs) as well as other retail and wholesale opportunities to further utilize the network and increase revenue.

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	99	The Baseline projection was for the network to be 100% 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 September 30, 2015. So, construction has continued through this quarter with our overall percentage complete at 99%.
2b.	Environmental Assessment	100	This milestone and the associated spend were completed with both the awarding of the initial Finding of No Significant Impact (FONSI) as well as work done for the Supplemental Environmental Assessment (EA).
2c.	Network Design	100	The network design is complete and spend in this category is complete.
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	98	The network layer 2 and 3 network equipment as well as the wireless equipment has been purchased, and spend in this category is complete.
2h.	Network Build (all components - owned, leased, IRU, etc)	79	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. This total category amount looks low because the category has changed as part of the approved budget reprogram, and in total the Network build category is about 98 % complete. Progress was made in the Durango-Silverton build as plowing and boring activity to lay conduit continued on that route, but no fiber has been deployed, yet.
2i.	Equipment Deployment	42	This amount from the original baseline estimate is high, and has been changed in the 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):	32	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).

The major challenges were in the Durango - Silverton route. Because of construction delays including an environmental review for a new species that was added to the endangered list during the summer, slower than anticipated progress because of the amount of rock boring required, as well as the budget rebalancing required due to the more expensive rock boring, we were unable to complete the construction route before winter weather set in. We therefore halted the project until the spring/summer construction window reopens. We are committed to completing the route with the financial help of Affiniti, our network operator.

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	795	This quarter, no new fiber or wireless miles were constructed, however, 12.8 fiber miles were purchased on the I25 North route. This gives a total of 724 deployed fiber miles and 71 deployed wireless miles. Note that this includes a correction of -98 fiber miles based on correction of an error on previous reports. This error goes back to the reporting for the third and fourth quarters of 2013, but was just discovered in a review of all construction mileage. The baseline projection was for the project to be complete at 1,946 new network miles, however, the revised project goals total 874 new network miles deployed.
New network miles leased	1,996	Although no new IRUs were purchased, we did complete an agreement to exchange IRUs with another BTOP recipient for 34.3 fiber miles in Adams County. So through this quarter, total miles are now 1,754 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 2,071 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)	724	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 deployed "non-IRU" fiber miles, which is the 724 reported here. As described above, this is a correction from previous reports of -98 fiber miles.

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Number of new wireless links	29	The baseline projection was for 154 new wireless links. However, the revised project goals will total 32 wireless links, as the network has transitioned from a primarily wireless network to a primarily fiber network. No new wireless links were completed this quarter.
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	78	The baseline projection was for 184 new interconnection points. However, the revised project goal will total 79 new/upgraded interconnection points. No new interconnection points were added this quarter, however a review was completed and correction made to show the actual number of new/upgraded connections completed to be 78.

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	25
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	17
Average term of signed agreements (in quarters)	20

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: We currently have eighteen signed open access service agreements with wholesale or last mile providers to whom we are providing service, which is an increase of two in the last quarter. We have a total of twenty-nine Master Service Agreements (MSAs) with wholesale and last mile providers, which provide the framework for service agreements. We are also in negotiations for an additional seventeen MSAs and eventual service agreements. In addition, we have sold or exchanged dark fiber IRU to four wholesale providers, one public safety entity, one county government, and the Colorado Department of Transportation. Our baseline projection was for eighteen agreements by the end of the project, so with eighteen service agreements and seven IRU sales, we have surpassed that estimate.

The 18 completed open access agreements are with:

(This area is mostly blank in the original document, indicating no further details were provided for the 18 completed open access agreements.)

In addition, we have completed agreements to sell or exchange fiber IRUs to:

(This area is blank in the original document.)

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 Internet Service Providers (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).

During the 4th Quarter of 2013, 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 a sub recipient and will provide all operational 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.
1-866-949-6631

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	18	With Affiniti as our Network Operator, business development activity has been accelerated, as shown by the addition of two new agreements with wholesalers and last mile providers this quarter. This matches our Baseline projection of 18.
	Providers with signed agreements receiving improved access	0	n/a. Consistent with the Baseline Report.
	Providers with signed agreements receiving access to dark fiber	7	In addition to four wholesale providers, we have also sold or exchanged dark fiber to one county government, to one public safety entity, and to the Colorado Department of Transportation. This amount is higher than our Baseline estimate, which did not anticipate the sale of any dark fiber.
Community Anchor Institutions (including Government institutions)	Please identify the speed tiers that are available and the number of subscribers for each	3	Provider speed tiers include 3 at 100 Mbps, 5 at 300 Mbps, and 10 at 1 Gbps or higher.
	Total subscribers served	126	No new CAIs were connected this quarter, so our total of 126 connected CAIs remained. Of these, 70 CAIs are currently receiving service either through direct contracts or via partnership agreements.
	Subscribers receiving new access	114	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 Board of Cooperative Educational Services (BOCES) network.
Residential / Households	Please identify the speed tiers that are available and the number or subscribers for each	4	The 57 school district customers, 5 BOCES customers, 1 Public Library customer and 2 Community College customers to whom we are directly providing service fall into 4 speed tiers: 10-49 Mbps = 31 50-99 Mbps = 11 100-499 Mbps = 17 500 Mbps-1Gbps = 6
	Entities passed	0	n/a. We are a BTOP project with no last mile component.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	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
n/a	n/a	n/a	n/a	n/a

Project Indicators (Next Quarter)

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

Significant accomplishments during the next quarter will include:

- Finalizing an IRU purchase of dark fiber to complete service from Cascade Village to Silverton. This 16 mile IRU is a major part of our Durango - Silverton build.
- Completing the fiber build within the city of Durango. This particular section of the build (approximately 1.2 miles) can be completed in the winter as it utilizes conduit that has already been installed. This route segment will be the only fiber deployment for the next quarter.
- Completion of the equipment installation at the grant-named NCAR Supercomputing center. This will complete the I25 North fiber route build.
- Approval by CDOT of the construction methods to complete the Durango - Cascade Village fiber route build so that construction can be completed in the third quarter of 2015.
- Continuing Community Outreach meetings, especially regarding the Durango - Silverton route progress. In addition, in conjunction

with Affiniti, we will be attending the annual Colorado Association of School Executives (CASE) Winter Conference as well as the Colorado Association of Leaders in Educational Technology (CALET) pre-Conference. These are prime locations to meet with the leadership of CAIs in Colorado.

- Completion of our annual financial and single audits.
- Agreements with two new wholesale providers. In addition, Affiniti is continuing their sales and marketing efforts to connect with more CAIs via the e-Rate process and to contact every CAI in the state via phone call to discuss EAGLE-Net and Affiniti future plans. Because of the weather conditions and with limited build activities, no new CAIs will be connected during the next quarter. With the build to be completed by the third quarter of the year, a total of 753 fiber and 121 wireless miles will have been built with 2,071 leased miles and with 134 CAIs connected. We anticipate having 75 agreements to provide services to CAIs and 30 wholesale agreements completed to wholesale and last mile providers when the project is closed.

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)
	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	Overall Project	100	Although the percentage complete shows 100%, there will actually be a small amount of grant money left. This will be used to complete the Custer County route. In addition, a contractually committed capital contribution from our Network Operator will allow us to complete the Silverton build, which will be the last grant funded route to complete. However, it will not be completed until the third quarter of 2015 before the grant extension expires.
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 only 98% of the budgeted funds will be spent in this category, all network equipment will have been purchased by March 31.
2h.	Network Build (all components - owned, leased, IRU, etc.)	80	This total category amount looks low because the category has changed as part of the approved budget reprogram, and in total the Network build category will be about 99 % complete. Construction will continue to complete the Custer County route, which is fully budgeted, and there will still be a portion of the build required to complete the Durango to Silverton route going into the summer of 2015. Additional funding will be provided by our network operator to ensure the completion of this route.
2i.	Equipment Deployment	42	There will some minor spending to complete the wireless equipment installation for Custer County.
2j.	Network Testing	0	All costs that were initially in this category are now in the Network Build category, as shown in the approved budget reprogram.
2k.	Other (please specify):	32	Most costs that were initially in this category are now in the Network Build category, as shown in 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).

Weather will be the main challenge, as the remaining network builds are in mountainous regions. Therefore, we do not anticipate much construction work to be completed in the first quarter of 2015. Obtaining the finances for the completion of the Silverton build will be another challenge, as the remaining construction will cost more than the current grant funds. Note that the completion of this build will require a capital contribution from our network operator, Affiniti. As part of the network operator agreement, they have committed to help complete this capital build.

Infrastructure Budget Execution Details									
Activity Based Expenditures (Infrastructure)									
<p>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.</p>									
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	\$9,117,129	\$0	\$9,117,129	\$9,087,906	\$0	\$9,087,906	\$9,114,718	\$0	\$9,114,718
b. Land, structures, right-of-ways, appraisals, etc.	\$36,250,069	\$33,615,587	\$2,634,482	\$36,212,463	\$33,615,587	\$2,596,876	\$36,232,463	\$33,615,587	\$2,616,876
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$16,352,376	\$1,050,000	\$15,302,376	\$16,339,126	\$1,050,000	\$15,289,126	\$16,359,126	\$1,050,000	\$15,309,126
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	\$58,530,139	\$0	\$58,530,139	\$57,575,109	\$0	\$57,575,109	\$58,108,089	\$0	\$58,108,089
j. Equipment	\$15,051,064	\$0	\$15,051,064	\$15,046,114	\$0	\$15,046,114	\$15,046,114	\$0	\$15,046,114
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	\$134,260,718	\$34,665,587	\$99,595,131	\$134,860,510	\$34,665,587	\$100,194,923
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	\$134,260,718	\$34,665,587	\$99,595,131	\$134,860,510	\$34,665,587	\$100,194,923
<p>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.</p>									
a. Application Budget Program Income: \$0					b. Program Income to Date: \$0				