

RECIPIENT NAME:Zayo Group, LLC

AWARD NUMBER: NT12BIX5570001

DATE: 11/30/2012

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 NT12BIX5570001	3. DUNS Number 808193960
4. Recipient Organization Zayo Group, LLC 400 Centennial Pkwy Suite 200, Louisville, CO 80027-1210		
5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2012	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 David Lundy	7c. Telephone (area code, number and extension) 3039477052	
	7d. Email Address david.lundy@zayo.com	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-30-2012	

Project Indicators (This Quarter)

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

Current aerial miles constructed is 544 of 568 total.
 Current underground miles constructed is 99 of 100 total.
 Total miles currently constructed is 643 of 668 for the total project for a total percentage of 96% complete.
 "In-Kind" Contribution is 198 miles.
 Miles not yet constructed but all permits received is 25.
 We have currently purchased 0 Wireline IRU miles.
 Interconnection points installed 1549 for 935 more than the 413 projected in our baseline report. Zayo leaves a slack loop for tie in purposes every 2,000 feet. This is what we label as interconnection points.
 We have currently connected 17 CAI's of the 21 CAI's for the whole project for a total percentage of ~80% complete.
 We currently have 44 Railroad ROW permits of 45 total for a total of 99% complete.
 We currently have 120 City Permits of 120 total for a total of 100% complete.
 We currently have 73 County Permits of 73 total for a total of 100% complete.
 We currently have 230 State Permits of 230 total for a total of 100% complete.
 There are currently a total of 468 required permits, we currently have 468 total for a total of 100% of all permits.
 We have made 2 Land Purchases of 2 total for a total of 100% complete.
 We currently have 558 miles of Aerial Poles Make Ready completed of 568 total for a total percentage of 98% complete.

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	63	This is based on actual spend.
2b.	Environmental Assessment	0	Zayo did not plan for this in our detailed budget, this is part of network design.
2c.	Network Design	100	Zayo is actually over budget on this and needs to move funds.
2d.	Rights of Way	0	Zayo did not plan for this in our detailed budget, this is part of network design.
2e.	Construction Permits and Other Approvals	0	Zayo built this into our construction budget. We did not make it a separate line item.
2f.	Site Preparation	54	This is based on actual spend.
2g.	Equipment Procurement	84	This is based on actual spend.
2h.	Network Build (all components - owned, leased, IRU, etc)	59	This is based on actual spend.
2i.	Equipment Deployment	0	This is because Zayo included this in our baseline plan, but did not plan for it in our detailed budget.
2j.	Network Testing	0	This is because Zayo included this in our baseline plan, but did not plan for it in our detailed budget.
2k.	Other (please specify):0	0	N/A

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).

Even though Zayo is ahead of schedule and under budget, we have exceeded spending in our A and E line item and will need to move funds from our Construction budget to our A and E budget. Zayo needs to submit an AAR Request to BTOP to move funds from the construction line item and put it in our Architecture and Engineering budget. This will cover inspectors and as built.

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	643	This is actual build.
New network miles leased	0	N/A
Existing network miles upgraded	0	N/A
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	643	This is actual build.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	1,549	This is way ahead of our baseline.

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	16
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	61
Average term of signed agreements (in quarters)	40

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: AT&T, Comcast Cable, Level 3, TW Telecom, Verizon Business, CenturyLink, Earthlink Business, ExteNet Networks, I-Light, KDL, Internet Communications, ETC, Smithville Digital, Perry-Spencer Telephone, Verizon Wireless, Wide Open West

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:
ark Fiber, Ethernet, Dedicated Internet.

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).
N/A

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	16	Most of the providers have signed for multiple sites/segments/routes.
	Providers with signed agreements receiving improved access	2	T-Mobile, Verizon Wireless, This is 15 behind our baseline. This is because or baseline was a plan and this is based on actuals.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Providers with signed agreements receiving access to dark fiber	3	I-Light, Smithville, ETC
	Please identify the speed tiers that are available and the number of subscribers for each	16	The dark fiber is limited only by the equipment, so can run 10meg to 100gig.
Community Anchor Institutions (including Government institutions)	Total subscribers served	17	This is based on actuals. This is four behind our baseline of 21 because of delays connecting our anchor institutions. We will be caught up next quarter.
	Subscribers receiving new access	17	This is based on actuals.
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number or subscribers for each	0	10meg to 100gig - ENA (100meg - 200meg, 1 gig), UDWI - 10meg, CMN - 1000meg,
Residential / Households	Entities passed	0	This is a middle mile project.
	Total subscribers served	0	This is a middle mile project.
	Subscribers receiving new access	0	This is a middle mile project.
	Subscribers receiving improved access	0	This is a middle mile project.
	Please identify the speed tiers that are available and the number of subscribers for each	0	This is a middle mile project.
Businesses	Entities passed	0	This is a middle mile project.
	Total subscribers served	0	This is a middle mile project.
	Subscribers receiving new access	0	This is a middle mile project.
	Subscribers receiving improved access	0	This is a middle mile project.
	Please identify the speed tiers that are available and the number of subscribers for each	0	This is a middle mile project.

7. Please describe any special offerings you may provide (600 words or less).
N/A

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	Narrative description of how anchor institutions are using BTOP-funded infrastructure

			institution? (Yes / No)	
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).
 Zayo should be completed with construction by next quarter.
 That means 568 miles deployed next quarter.
 We should have 21 CAIs connected by the end of next quarter.
 We should have 20 broadband wholesaler/last mile provider agreements signed through the end of 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	100	This is based on actual spend as outlined below.
2b.	Environmental Assessment	0	This is because Zayo included this in our baseline plan, but did not plan for it in our detailed budget.
2c.	Network Design	100	This is in line with our baseline.
2d.	Rights of Way	0	This is because Zayo included this in our baseline plan, but did not plan for it in our detailed budget.
2e.	Construction Permits and Other Approvals	0	This is because Zayo included this in our baseline plan, but did not plan for it in our detailed budget.
2f.	Site Preparation	100	This is based on projected spend. Zayo is way under budget.
2g.	Equipment Procurement	100	This is based on projected spend. Zayo is way under budget.
2h.	Network Build (all components - owned, leased, IRU, etc.)	100	This is based on projected spend. Zayo is way under budget.
2i.	Equipment Deployment	0	This is because Zayo included this in our baseline plan, but did not plan for it in our detailed budget.
2j.	Network Testing	0	This is because Zayo included this in our baseline plan, but did not plan for it in our detailed budget.
2k.	Other (please specify): 0	0	N/A

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).
 Zayo should be done with construction by the end of 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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
b. Land, structures, right-of-ways, appraisals, etc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$291,273	\$58,255	\$233,018	\$641,684	\$128,336	\$513,348	\$641,684	\$128,336	\$513,348
e. Other architectural and engineering fees	\$898,478	\$179,696	\$718,782	\$898,478	\$179,696	\$718,782	\$898,478	\$179,696	\$718,782
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$294,228	\$58,846	\$235,382	\$158,535	\$31,707	\$126,828	\$294,228	\$58,846	\$235,382
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$25,667,347	\$8,655,469	\$17,021,878	\$15,085,438	\$3,017,088	\$12,068,350	\$25,667,347	\$8,655,469	\$17,021,878
j. Equipment	\$1,113,000	\$222,600	\$890,400	\$1,068,427	\$213,685	\$854,742	\$1,113,000	\$222,600	\$890,400
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$28,264,326	\$9,174,866	\$19,099,460	\$17,852,562	\$3,570,512	\$14,282,050	\$28,614,737	\$9,244,947	\$19,379,790
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$28,264,326	\$9,174,866	\$19,099,460	\$17,852,562	\$3,570,512	\$14,282,050	\$28,614,737	\$9,244,947	\$19,379,790

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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