QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Award Identification Number	3. DUNS Number
Department of Commerce, National Telecommunications and Information Administration	NT12BIX5570001	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)	6. Is this the last Report of the Award Period?
12-31-2012	◯ 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)
David Lundy	3039477052
	7d. Email Address david.lundy@zayo.com

7b. Signature of Certifying Official	7e. Date Report Submitted (MM/DD/YYYY):
Submitted Electronically	02-26-2013

Project Indicators (This Quarter)

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

I-Light
Current aerial miles constructed is 565 of 568 total.
Current underground miles constructed is 99.5 of 100 total.
Total miles currently constructed is 665 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 3.
We have currently purchased 0 Wireline IRU miles.
Interconnection points installed 1649 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 21 CAI's of the 21 CAI's for the whole project for a total percentage of ~99% complete.
We currently have 45 Railroad ROW permits of 45 total for a total of 100% 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 565 miles of Aerial Poles Make Ready completed of 568 total for a total percentage of 99% 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	69	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	69	This is based on actual spend.
2g.	Equipment Procurement	96	This is based on actual spend.
2h.	Network Build (all components - owned, leased, IRU, etc)	64	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).
N/A

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	665	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)	665	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	1,649	Zayo leaves a slack loop for tie in purposes every 2,500 feet. This is what we label as an interconnection point.

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	21
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	13
Average term of signed agreements (in quarters)	60

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, ATMInternet, CenturyLink, CMN-RUS, Comcast Cable, Earthlink Business, ExteNet, FBN Indiana, Great Lakes ComNet, KDL, Level 3, Lightbound, Perry-Spencer Communications, Smithville Digital, Sunman Telephone, Time Warner, TransWorld, TW Telecom, 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:
Dark fiber leases and IRUs, lit services from 10meg to 100gig.

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**	3	Most of the providers have signed for multiple sites/segments/routes.
	Providers with signed agreements receiving improved access	7	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	11	This is based on actuals.
	Please identify the speed tiers that are available and the number of subscribers for each	21	The dark fiber is limited only by equipment, so can run 10meg to 100gig.
Community Anchor Institutions (including Government institutions)	Total subscribers served	21	This is based on actuals.
	Subscribers receiving new access	21	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	21	The dark fiber is limited only by equipment, so can run 10meg to 100gig.
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)	
East Chicago Ivy Tech	**Chicago**	**College**	**No**	**The increase in bandwidth allows the Ivy Tech schools to handle greater bandwidth demands allowing for faster downloads and the demands from the increases in enrollment and the increase in the sizes of their schools.**
Michigan City Ivy Tech	**Michigan City**	**College**	**No**	**The increase in bandwidth allows the Ivy Tech schools to handle greater bandwidth demands allowing for faster downloads and the demands from the increases in enrollment and the increase in the sizes of their schools.**
Bloomington Ivy Tech	**Bloomington**	**College**	**No**	**The increase in bandwidth allows the Ivy Tech schools to handle greater bandwidth demands allowing for faster downloads and the demands from the increases in enrollment and the increase in the sizes of their schools.**

Project Indicators (Next Quarter)

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

Zayo should have this project completed by next quarter.
We will complete the remaining two Ivy Tech connections, Bloomington and Connersville by the end of the third week in January 2013
That means 668 miles deployed 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 in line with our baseline.
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 in line with our baseline.
2g.	**Equipment Procurement**	100	This is in line with our baseline.
2h.	**Network Build (all components - owned, leased, IRU, etc.)**	100	This is in line with our baseline.
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 will 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.

Cost Classification	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		
	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	$845,527	$169,106	$676,422	$845,527	$169,106	$676,421
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	$201,975	$40,395	$161,580	$294,228	$58,846	$235,382
h. Demolition and removal	$0	$0	$0	$0	$0	$0	$0	$0	$0
i. Construction	$25,677,347	$8,655,469	$17,021,878	$16,449,918	$3,289,984	$13,159,934	$25,123,093	$8,544,618	$16,578,475
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)	$28,274,326	$9,174,866	$19,099,460	$19,464,325	$3,892,866	$15,571,460	$28,274,326	$9,174,866	$19,099,460
m. Contingencies	$0	$0	$0	$0	$0	$0	$0	$0	$0
n. TOTALS (sum of l and m)	$28,274,326	$9,174,866	$19,099,460	$19,464,325	$3,892,866	$15,571,460	$28,274,326	$9,174,866	$19,099,460

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