

RECIPIENT NAME:Zayo Group, LLC

AWARD NUMBER: NT12BIX5570002

DATE: 06/18/2013

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 NT12BIX5570002	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) 03-31-2013	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): 06-18-2013	

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 Current Aerial and underground route miles constructed is 245.2 of 250 total, 98.8%.
 Miles not yet constructed but all permits received 3 miles.
 Interconnection points installed 685 of 685 for a total of 100 % complete. Zayo leaves a slack loop for tie in purposes every 2,500 feet. This is what we label as interconnection points.
 We have currently connected 142 CAI's of the 145 CAI's for the whole project for a total percentage of 97.8 % complete OSP. 142 have Equipment installed, 98.7 % Complete Equipment Installation. CAI break down as follows 130 CAI's and 15 Water Towers providing service to city entities and law enforcement radio systems.
 We currently have 17 Railroad ROW permits of 17 total for a total of 100% complete.
 We currently have 41 City Permits of 41 total for a total of 100% complete.
 We currently have 40 County Permits of 40 total for a total of 100.0% complete.
 We currently have 28 State Permits of 28 total for a total of 100% complete.
 We currently have 30 DNR Permits of 30 total for a total of 100.0% complete.
 We currently have 2 Corp of Engrs Permits of 2 total for a total of 100% complete.
 We currently have 157 permits of 157 total for a total of 100.0% Complete for all permits.
 We currently have 1550 poles of Aerial Poles Make Ready completed of 1550 (1710) total. (100% complete). Note: 1710 poles is the estimate in the initial engineering stages. 1550 current total reported on the XCEL APA's, final tabulation of the As-built will be completed when they become available from the engineers at that time final number of poles will be determined.

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	65	This is based on actual spend.
2b.	Environmental Assessment	100	Zayo is actually at 124%, but it will not let us enter this value. Zayo went over budget on this and will need to move funds.
2c.	Network Design	100	This is in line with our detailed budget.
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	0	N/A
2f.	Site Preparation	0	Zayo included this in our baseline, but did not include this in our detailed budget.
2g.	Equipment Procurement	9	This is based on actual spend.
2h.	Network Build (all components - owned, leased, IRU, etc)	72	This is based on actual spend.
2i.	Equipment Deployment	0	Zayo included this in our baseline, but did not include this in our detailed budget.
2j.	Network Testing	0	N/A
2k.	Other (please specify):	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).
 Zayo's only issues this last quarter have been weather related. Delays due to snow.

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	245	This is based on 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)	245	This is based on 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	685	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	0
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	3
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: N/A

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:

N/A. Wholesale services are based on mileage and equipment used as well as fiber availability. These will all vary from customer to customer.

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

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	0	This is a middle mile project and Zayo has not lit the network yet. Zayo listed 145 in our baseline, but this was a mistake and copied over from the number of CAI's we would be connecting, not last mile providers.
	Providers with signed agreements receiving improved access	0	This is a middle mile project and Zayo has not lit the network yet. Zayo should meet our baseline by the end of the project.

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	1	Currently providing 12 Dark Fibers to Anoka County per Master Services Agreement with Zayo.
	Please identify the speed tiers that are available and the number of subscribers for each	1	10meg to 100gig - ENA (100meg - 200meg, 1 gig), UDWI - 10meg, CMN - 1000meg, please refer to the CAI addendum. Speeds are indicated on each CAI.
Community Anchor Institutions (including Government institutions)	Total subscribers served	142	Zayo has only connected 142/145 sites to date. Zayo has turned over facilities to the CAI's for service as well as testing.
	Subscribers receiving new access	142	Zayo has only connected 142/145 sites to date. Zayo expects to match our baseline by the end of the project time line.
	Subscribers receiving improved access	0	This is based on actuals to date.
	Please identify the speed tiers that are available and the number or subscribers for each	1	10meg to 100gig - ENA (100meg - 200meg, 1 gig), UDWI - 10meg, CMN - 1000meg, please refer to the CAI addendum. Speeds are indicated on each CAI.
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).
None

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)	
See Attachment 1 Spreadsheet	See Attachment Spreadsheet			

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 We should have the final 5 miles built by the end of next quarter. We should also be preparing closeout documentation to finalize project.

Zayo initial baseline/target of 286 miles was based on estimates derived from measurements off of a preliminary proposed route on a google map. As can be expected, this method would be at least a +/- 10% margin of error, based on this the Zayo Planner used 260 miles plus a 10% contingency which equates to 286 miles.

As engineering of the actual routes are documented the miles are firmed up and more accurate. The miles changes for several reasons, permit agencies, government entities and route changes due to environmental groups. During fiber construction it is common practice to report footages from Fiber Cable Sequential Readings on the cable, this is recorded as total cable placed. Final as-built drawings will provide an accurate tabulation of the constructed route, at the time Zayo will have a final number of miles to report.

As of this quarter 142 CAI's of the 145 CAI's Zayo has turned over facilities to the CAI's for service as well as testing. The final 3 CAI's are scheduled to be turned up by May 31, 2013. CAI break down is as follows 130 CAI's and 15 water towers providing service to city entities and law enforcement radio system.

Last Mile Wholesale Providers - Zayo Sales Group has proposed services to several Last Mile Providers and no agreements have been signed this quarter. Zayo expects to match our baseline by the end of the project.

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	95	This is about ~1M under our detailed budget.
2b.	Environmental Assessment	100	This is in line with our detailed budget. Zayo plans to move funds from construction to cover the variance from last quarter.
2c.	Network Design	100	This is in line with our detailed budget.
2d.	Rights of Way	0	This is in line with our detailed budget.
2e.	Construction Permits and Other Approvals	0	This is in line with our detailed budget.
2f.	Site Preparation	0	This is in line with our detailed budget.
2g.	Equipment Procurement	9	This is in line with our detailed budget.
2h.	Network Build (all components - owned, leased, IRU, etc.)	92	This is about ~1M under our detailed budget.
2i.	Equipment Deployment	0	This is in line with our detailed budget.
2j.	Network Testing	0	This is in line with our detailed budget.
2k.	Other (please specify):	0	This is in line with our detailed budget.

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).

We should have the final 5 miles constructed this quarter.

As you can see below, Zayo went \$152,177.00 over budget on A&E (Line D).

As we finish next quarter, Zayo will have to move money from Construction to A&E to cover this overrun. This should not be an issue as Zayo is projecting to come in ~\$1M under budget.

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	\$603,779	\$181,134	\$422,645	\$755,956	\$226,787	\$529,169	\$755,956	\$226,787	\$529,169
e. Other architectural and engineering fees	\$22,601	\$6,780	\$15,821	\$22,601	\$6,780	\$15,821	\$22,601	\$6,780	\$15,821
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	\$15,004,615	\$4,501,385	\$10,503,230	\$10,798,742	\$3,239,622	\$7,559,119	\$13,851,615	\$4,155,484	\$9,696,131
j. Equipment	\$2,647,380	\$794,214	\$1,853,166	\$233,685	\$70,105	\$163,579	\$2,647,380	\$794,214	\$1,853,166
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$18,278,375	\$5,483,513	\$12,794,862	\$11,810,984	\$3,543,294	\$8,267,688	\$17,277,552	\$5,183,265	\$12,094,287
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$18,278,375	\$5,483,513	\$12,794,862	\$11,810,984	\$3,543,294	\$8,267,688	\$17,277,552	\$5,183,265	\$12,094,287

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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