

RECIPIENT NAME:Zayo Group, LLC

AWARD NUMBER: NT12BIX5570002

DATE: 02/26/2015

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 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) 06-30-2013	6. Is this the last Report of the Award Period? <input checked="" type="radio"/> Yes <input 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 Randy Whitehead	7c. Telephone (area code, number and extension) X	
	7d. Email Address randy.whitehead@zayo.com	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 02-26-2015	

Project Indicators (This Quarter)

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

Zayo was awarded \$ 18.3M on 10/11/2011 and constructed 215 miles to over 130 CAIs by 6/30/2013 completing the middle mile dark fiber network on time and \$ 2.2M under budget. In partnership with Anoka County, Zayo built and delivered a scalable and future proof fiber optic network infrastructure system connected to over 130 Anoka County public facilities and community anchor institutions that included schools, universities, libraries, police, fire and other first responder facilities, and numerous administrative agencies. The dark fiber network has enabled the county to become a last mile provider by installing its own optronix to light up the fiber and provide service to the CAI's and others. The lit service capabilities include Ethernet, direct Internet, private line and similar services. It also enables the County to upgrade to higher transmission and bandwidth capacities as new optronix equipment becomes available from manufacturers. The network further serves to provide the terrestrial infrastructure necessary for the County to make a significant step in implementing the NTIA's FirstNet, first responders initiative. An example of benefits to the County agencies; overnight data backups used to take 10 hours every night, often still in process when agencies opened for business in the mornings, frustrating many citizens, now the entire process takes only 0 to 60 minutes during the night. Another example of new efficiencies and cost savings, the City of Findley has reported savings of \$ 987 per month or approximately \$ 12,000 per year on its telephone bill by utilizing Voice over Internet Protocol (VoIP) service over traditional copper line POTS.

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	100	Project completed 12% under budget based on actual spend.
2b.	Environmental Assessment	100	Complete; costs included in 2c.
2c.	Network Design	100	Complete; actuals at 156% of budget.
2d.	Rights of Way	100	Complete; costs included in 2c.
2e.	Construction Permits and Other Approvals	100	Complete; costs included in 2c.
2f.	Site Preparation	100	Complete; costs included in 2h.
2g.	Equipment Procurement	100	Complete; actuals at 13.4% of budget.
2h.	Network Build (all components - owned, leased, IRU, etc)	100	Completed; actuals at 98.3% of budget.
2i.	Equipment Deployment	100	Completed; costs included in 2h.
2j.	Network Testing	0	N/A - It is a dark fiber network only.
2k.	Other (please specify): N/A	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 had no issues this last quarter.

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	215	Constructed 215 miles vs. baseline of 286 as recorded in our as-buits and GIS files with the variance primarily due to vertical alignments up/down utility ples and slack coils left in hand holes and manholes for future splicing, repairs, expansions etc.
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)	215	Constructed 215 miles vs. baseline of 286 as recorded in our as-buits and GIS files with the variance primarily due to vertical alignments up/down utility ples and slack coils left in hand holes and manholes for future splicing, repairs, expansions etc.
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	1
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	0
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: Anoka County. Zayo provides dark fiber infrastructure to Anoka County. Anoka County then acts as a last mile provider, installing its own optronix to light the fiber and provide whatever services it chooses to offer to the Community Anchor Institutions and to whomever else it desires to provide service to.

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:

Wholesale services are custom quoted for each new project, and are based on a considerable number of variables including but not limited to mileage, equipment used, fiber availability, engineering and construction costs, costs of underlying rights and myriad other costs. Each new project undergoes an IRR & other financial analysis to determine its profitability or loss it may result in. Due to the complex nature of such custom built projects it is not possible to maintain such a list with any reasonable accuracy.

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)

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	One dark fiber agreement is with Anoka County, MN, who provides lit services and bills for the lit service, to the 131 CAIs listed in the addendum hereto. Baseline was 12, the variance is due to prospective customers' changes of plans, which included alternative plans, or deferred plans until a later date in time, and other macroeconomic conditions outside prospective customers' control.
	Providers with signed agreements receiving improved access	0	This is a dark fiber middle mile project.
	Providers with signed agreements receiving access to dark fiber	1	Anoka County, MN. This is a dark fiber network.
Community Anchor Institutions (including Government institutions)	Please identify the speed tiers that are available and the number of subscribers for each	1	No speed tiers offered, providing dark fiber only. Speed tiers are dependent on whatever optronix the customer (Anoka County, MN) installs.
	Total subscribers served	131	Zayo has turned over facilities to Anoka County for service as well as testing. Zayo built to the CAIs, but Anoka County provides the lit services and bills the CAIs. Baseline was 145, the variance is due to certain CAIs being reclassified as points of interconnection rather than CAIs in accordance with guidance from NTIA. In the Q3 2013 PPR we reported that 142 CAIs had been connected; however, due to the reclassification as points of interconnection pursuant to NTIA guidance, this number was not correct and should have instead indicated 131 as shown in the addendum hereto.
	Subscribers receiving new access	131	Zayo has turned over facilities to Anoka County for service as well as testing. Zayo built to the CAIs, but Anoka County provides the lit services and bills the CAIs.
	Subscribers receiving improved access	0	N/A.
Residential / Households	Please identify the speed tiers that are available and the number of subscribers for each	1	Speed tiers is 1, providing dark fiber only. Lit speed tiers are dependent on whatever optronix the customer (Anoka County, MN) installs.
	Entities passed	0	N/A. This is a middle mile project.
	Total subscribers served	0	N/A. This is a middle mile project.
	Subscribers receiving new access	0	N/A. This is a middle mile project.
	Subscribers receiving improved access	0	N/A. This is a middle mile project.
Businesses	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A. This is a middle mile project.
	Entities passed	0	N/A. This is a middle mile project.
	Total subscribers served	0	N/A. This is a middle mile project.
	Subscribers receiving new access	0	N/A. This is a middle mile project.
	Subscribers receiving improved access	0	N/A. This is a middle mile project.

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

Not applicable. This is a middle mile project.

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
See CAI Addendum for a complete list of all CAIs connected during the project period (as current/final count is less than prior report).	See Left Column	See Left Column	See Left Column	See Left Column

Project Indicators (Next Quarter)

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

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	Project is 12% under budget based on actual spend.
2b.	Environmental Assessment	100	Complete; costs included in 2c.
2c.	Network Design	100	Complete; actuals at 156% of budget.
2d.	Rights of Way	100	Complete; costs included in 2c.
2e.	Construction Permits and Other Approvals	100	Complete; costs included in 2c.
2f.	Site Preparation	100	Complete; costs included in 2h.
2g.	Equipment Procurement	100	Complete; actuals at 13.4% of budget
2h.	Network Build (all components - owned, leased, IRU, etc.)	100	Completed; actuals at 98.3% of budget.
2i.	Equipment Deployment	100	Completed; costs included in 2h.
2j.	Network Testing	0	N/A - It is a dark fiber network only.
2k.	Other (please specify): N/A	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).
None. Zayo has completed all construction.

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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	\$626,380	\$187,914	\$438,466	\$977,778	\$293,333	\$684,445	\$977,778	\$293,333	\$684,445
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	\$15,004,615	\$4,501,385	\$10,503,230	\$14,750,659	\$4,425,198	\$10,325,461	\$14,750,659	\$4,425,198	\$10,325,461
j. Equipment	\$2,647,380	\$794,214	\$1,853,166	\$354,562	\$106,369	\$248,193	\$354,562	\$106,369	\$248,193
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	\$16,082,999	\$4,824,900	\$11,258,099	\$16,082,999	\$4,824,900	\$11,258,099
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	\$16,082,999	\$4,824,900	\$11,258,099	\$16,082,999	\$4,824,900	\$11,258,099

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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