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	NT11BIX5570001	964743988

4. Recipient Organization

Eagle-Net Alliance 11800 Ridge Pkwy, Broomfield, CO 80021-6525

5. Current Reporting Period End Date (MM/DD/YYYY)	6. Is this the last Report of the Award Period?
03-31-2012	◯ 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)
John Bakken	720 210946
Compliance and Reporting Manager	**7d. Email Address** john.bakken@co-eaglenet.net

7b. Signature of Certifying Official	7e. Date Report Submitted (MM/DD/YYYY):
Submitted Electronically	05-14-2012

Project Indicators (This Quarter)

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

Project accomplishments for the first quarter of 2012 included:

- The issuance of 10 new Request for Proposals (RFPs) that were primarily for infrastructure solutions as well as for network construction. Six of these were awarded while the others are in the process of being finalized. Three different construction companies out of over thirty different respondents were awarded infrastructure and lateral build RFPs.
- The signing of five new Indefeasible Rights of Use (IRUs) that added a total of 585 miles of dark fiber to the statewide fiber peering ring. The Zayo Group, FiberLink and AboveNet Communications were all awarded RFPs for existing infrastructure and all signed 20 year IRUs.
- The continuing receipt of Layer 2 and 3 equipment from previously awarded RFPs.
- The leasing of warehouse space for the storage, testing and staging of the Layer 2 and 3 equipment. Equipment was readied for April installation to the peering ring sites.
- Many permits being obtained in preparation for the start of April construction.
- Contracts signed with 19 new school districts for the next school year. These will be connected and the associated Community Anchor Institutions (CAIs) counted in the third quarter of the year.
- Continuing community outreach activities including revamping the EAGLE-Net website to improve information availability and to make it more user friendly, meetings with Colorado Governor Hickenlooper and the staffs of the U.S. Senators and Representatives in addition to state Senators and Representatives, and more meetings with CAIs, local governments, local technology groups, and other interested parties. We also hosted visits from NTIA senior officials to discuss our project.

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	32	The 32% is behind the baseline projection of 60% complete because of the delays encountered with the grant transfer and with the statewide Environmental Assessment process. However, with more IRUs procured and equipment received, our peering ring is almost complete. Preparation for network construction is on target and build will begin in the third week of April.
2b.	Environmental Assessment	100	The FONSI was obtained and this milestone is complete.
2c.	Network Design	100	Although the logical and network equipment design is complete, it will continue to be fine tuned throughout the design/build process
2d.	Rights of Way	92	The 92% complete is slightly behind the baseline projection of 97% complete. However, the final negotiations were completed with CDOT, so this will be complete in the next quarter.
2e.	Construction Permits and Other Approvals	23	Although behind the baseline projection of 48% complete, permitting has seen much activity in the last quarter. Permits were obtained by our design/build contractor, G4S Technologies, to enable us to begin construction at five separate statewide locations in April. We should be caught up to the baseline projection by the end of the third quarter of 2012.
2f.	Site Preparation	0	Site preparation activities did begin last quarter, however, invoices were not received in time to book before quarter end. This is behind our baseline projection of 70% complete because of the delays encountered with the grant transfer and in achieving the FONSI.
2g.	Equipment Procurement	34	Our second order of Cisco Layer 2-3 equipment was ordered and received this quarter, and is currently being tested at our staging warehouse. However, we are behind our baseline projection of 63% complete.
2h.	Network Build (all components - owned, leased, IRU, etc)	27	The baseline projection was 55% this quarter, which includes all network build activities in addition to the cost of IRUs, Project Management and other administrative costs for the project. While no physical build was started (our schedule calls for it to start the during the third week of April), we did procure 593 miles of dark fiber via IRUs for our network peering ring. Overall, we are behind our baseline projections this

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			quarter because of the delays encountered with the grant transfer and in achieving the FONSI.
2i.	**Equipment Deployment**	12	The 12% complete is behind our baseline projection of 59% due to the delays encountered with the grant transfer and achieving the FONSI.
2j.	**Network Testing**	0	With the peering ring not complete and the laterals not yet under construction, there have been no costs for network testing. This is behind our baseline projection of 51% complete.
2k.	**Other (please specify):**	9	During this quarter, we did obtain a testing and staging warehouse to begin equipment deployment. This facility is the main component of the "other" category. This is behind our baseline projection of 55% complete.

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 challenge has been trying to catch up after our initial delays. The size and the multifaceted nature of this project have made it difficult to make up the time that was lost waiting for the grant transfer and achieving the FONSI. Keeping to our aggressive schedule has been essential to insure that we hit our upcoming milestone of 2/3 complete by August 31, 2012.

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	0	No new network miles have yet been deployed. This is behind our baseline projection of 1,168 miles because of the delays encountered with the grant transfer and in achieving the FONSI. However, construction is on track to begin in April with an accelerated summer build schedule.
New network miles leased	1,508	The 1,508 new network miles leased (via capital IRU) are ahead of our baseline projection of 1,480 leased miles. These miles constitute the majority of our network peering ring.
Existing network miles upgraded	170	The baseline projection is for 190 miles through this quarter, so we are slightly behind that total. Work will be completed and we will be caught up in the next quarter.
Existing network miles leased	0	n/a. Consistent with baseline report.
Number of miles of new fiber (aerial or underground)	0	This is behind our baseline projection of 1,016 new fiber miles because of the delays encountered with the grant transfer and in achieving the FONSI.
Number of new wireless links	0	This is behind our baseline projection of 92 new wireless links because of the delays encountered with the grant transfer and in achieving the FONSI.
Number of new towers	0	This is behind our baseline projection of 95 new towers because of the delays encountered with the grant transfer and in achieving the FONSI.
Number of new and/or upgraded interconnection points	3	This is behind our baseline projection of 110 new interconnection points because of the delays encountered with the grant transfer and in achieving the FONSI.

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	12
Average term of signed agreements (in quarters)	0

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:

There are currently no agreements, which is behind our baseline projection of eight projected providers because of the previously described delays. However, now that we are near construction, we are in negotiations with 12 broadband wholesalers or last mile providers on Master Service Agreements.

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:

While we are not providing wholesale services yet, as part of the project we do intend to offer services including Internet Protocol (IP) transport and add-drop capability at Peering Points and selected Points of Interconnect (POIs) to be used primarily for Internet service backhaul.

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. No third party is operating our network.

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 behind our baseline projection of 8 signed agreements because during this quarter we did not have network availability due to the delays encountered with the grant transfer and FONSI process. However, negotiations with providers have begun, and we anticipate having two signed service orders in the next quarter.
	Providers with signed agreements receiving improved access	0	n/a. Consistent with baseline report.
	Providers with signed agreements receiving access to dark fiber	0	n/a. Consistent with baseline report.
	Please identify the speed tiers that are available and the number of subscribers for each	0	n/a.
Community Anchor Institutions (including Government institutions)	Total subscribers served	467	No new subscribers were added this quarter, although several will be coming on board as we build to them in the third quarter. The 467 subscriber total is behind the baseline projection of 746, which is due to the holdup in building our infrastructure because of the delays encountered by the grant transfer process and the resulting delays in achieving our FONSI.
	Subscribers receiving new access	206	This is behind the baseline projection of 541 subscribers receiving new access due to the delays described above.
	Subscribers receiving improved access	261	This is ahead of our baseline projection of 205.
	Please identify the speed tiers that are available and the number or subscribers for each	0	The network is capable of providing 1 Gbps, multiple 1 Gbps, and 10 Gbps connections based on the anchor institution requests.
Residential / Households	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).

Accomplishments in the 2nd quarter of 2012 will include:
- The activation of all peering sites except for Cheyenne.
- The start of physical construction consecutively in 5 parts of the state. These are I25 north, the Denver metro area, the Colorado Springs area, NorthEast Colorado, and along highway 160 and into the San Luis Valley.
- The installation of layer 2-3 equipment at peering sites as well as at some CAIs.
- The upgrade of 84 existing fiber miles with new equipment.
- The purchase of a long term lease for 359 miles of dark fiber.
- The new construction of an estimated 200 miles of new fiber.
- Although agreements are signed, there will be 0 CAIs added in the next quarter as both turn-up and agreement dates will be for the third quarter of the year (July 1 or later).
- The signing of Master Service Agreements with broadband wholesalers/last mile providers with at least two service orders to begin services in the third quarter.

- Continued community outreach activities including a "Construction Kick Off" event at the state capital on April 16. Presenters included Colorado Governor John Hickenlooper, other state and NTIA officials and EAGLE-Net CEO Randy Zila.

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	46	Due to the previously described delays, we'll still be behind our baseline projection of 74% complete. However, this quarter starts a period of significant build progress for us. As described above, construction is starting in 5 parts of the state simultaneously.
2b.	Environmental Assessment	100	Our Environmental Assessment has been approved and this step is complete.
2c.	Network Design	100	Although there will be future fine-tuning of design activity as we move forward with the network build, this logical network and network equipment design is complete.
2d.	Rights of Way	100	Rights of way negotiations and approvals will be completed this quarter.
2e.	Construction Permits and Other Approvals	34	Although this is behind our baseline projection of 67% complete, this activity will have more spend as pre-construction work throughout the state is ramping up.
2f.	Site Preparation	3	This category is significantly behind the baseline projection of 85%. Site preparation will be done at the peering site locations and the CAIs that are connected this quarter. Spend should increase significantly during the third quarter as more laterals are built and CAIs are connected.
2g.	Equipment Procurement	48	We will remain behind the baseline projection of 78% complete, but equipment procurement does continue this quarter as more layer 2-3 equipment is purchased and we begin the procurement of wireless equipment. Please note that in the budget categories (the last page of this report), layer 2-3 equipment is part of the Construction category.
2h.	Network Build (all components - owned, leased, IRU, etc.)	40	The Network Build baseline projection is 70% complete through this quarter. Obviously, build activities have been delayed due to the grant transfer process and the subsequent FONSI delays. However, during this quarter there will be new IRUs signed as well as the start of physical construction costs. This quarter and the next will be key periods to build in several parts of the state to take advantage of milder weather.
2i.	Equipment Deployment	16	Equipment deployment has begun, although well behind the 74% baseline projection. Equipment will be deployed as CAIs are connected during the construction phase.
2j.	Network Testing	17	Network Testing spending begins this quarter, and will accelerate as the network is constructed. We will be behind our baseline projection of 67%, but this category will ramp up in conjunction with the Network Build.
2k.	Other (please specify):	14	The major cost for this category is for warehousing to store, test and stage equipment for deployment. We will be behind our 70% spend as we just recently leased the space, and the rent will be static through the remainder of the project.

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).

The main issues will be the logistics of ramping up the physical construction simultaneously in several parts of the state. Obviously, this quarter and the next are key construction periods in Colorado to take advantage of mild weather. So far, we are moving according to our schedule with no unforeseen challenges.

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	$252,000	$0	$252,000	$201,970	$0	$201,970	$226,970	$0	$226,970
b. Land, structures, right-of-ways, appraisals, etc.	$24,832,866	$11,912,238	$12,920,628	$8,918,958	$8,918,958	$0	$11,912,238	$11,912,238	$0
c. Relocation expenses and payments	$0	$0	$0	$0	$0	$0	$0	$0	$0
d. Architectural and engineering fees	$16,755,059	$4,687,000	$12,068,059	$7,920,452	$0	$7,920,452	$9,301,521	$0	$9,301,521
e. Other architectural and engineering fees	$232,848	$0	$232,848	$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	$93,228,004	$18,066,349	$75,161,655	$26,481,103	$1,025,000	$25,456,103	$40,983,011	$3,025,000	$37,958,011
j. Equipment	$0	$0	$0	$0	$0	$0	$0	$0	$0
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	$43,522,483	$9,943,958	$33,578,525	$62,423,740	$14,937,238	$47,486,502
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	$43,522,483	$9,943,958	$33,578,525	$62,423,740	$14,937,238	$47,486,502

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