

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 NT11BIX5570001	3. DUNS Number 964743988
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4. Recipient Organization

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

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
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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 John Bakken Compliance and Reporting Manager	7c. Telephone (area code, number and extension) 720 210946
	7d. Email Address john.bakken@co-eaglenet.net

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-28-2012
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Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 During the third quarter, there was significant progress in the build and implementation of the network, including:
 -The signing of two new Indefeasible Rights of Use (IRU) agreements for a total of 137.3 miles.
 -The deployment of up to 33 construction crews working in the state, creating a job FTE of 203.06.
 -Construction continued throughout the state and a total of 543 miles of conduit and 352 miles of fiber have been laid.
 -Level 2 and 3 equipment installed at 15 new peering sites.
 -60 new CAIs connected.
 -20 new contracts signed with school districts.
 -The signing of 9 new Master Service Agreements which are the framework to provide services as well as 6 service orders as a result of these agreements.
 -Continuing community outreach activities with CAIs, state, regional and local governments, local technology groups and other interested parties.

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	55	The 55% completion is behind the baseline projection of 87% complete. In part, this is because actual payments rather than accruals are shown in this calculation. With billing being in arrears, there is actually about \$15.5 million in accrued equipment and construction costs at the end of September, which if added to the percent complete calculation would leave us at over 66% complete. Although still behind the baseline amount, this difference was due to the delays encountered with the grant transfer and statewide Environmental Assessment process.
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, the design will continue to be fine-tuned throughout the design/build process. A budget reprogram has been submitted to allow for additional design costs being incurred.
2d.	Rights of Way	92	Rights of way are behind the 100% baseline projection. However, the CDOT agreement that was signed and the rights of way provided had a value that was higher than what was used in the original baseline projection, and this was reflected in our submitted budget reprogram.
2e.	Construction Permits and Other Approvals	100	Although the permitting process has not yet been completed, based on dollars spent, the original baseline estimate was considerably understated, and we are now at about 188% of that original permitting cost amount. Costs will continue and we have revised this budget amount in our submitted budget reprogram.
2f.	Site Preparation	6	This amount is lower than our baseline projection of 94% as some costs that were originally in this category are now part of the Network Build category. We have revised this budget amount in our submitted budget reprogram.
2g.	Equipment Procurement	49	This amount is behind our baseline projection of 90%, although again if added in our accrued amount for equipment received in the quarter but not yet paid, we'd be at over 60%. The remainder of the level 2 and 3 equipment has been ordered and will start arriving during the fourth quarter.
2h.	Network Build (all components - owned, leased, IRU, etc)	53	This amount, which includes all network build activities in addition to the cost of IRUs, Project Management and other administrative costs for the project is behind our baseline projection of 85%. This is in part due to the delays encountered with the grant transfer and in achieving the FONSI. Also, as noted above, total invoices where work was completed in September but invoices were not received or paid by September 30 drive down the percentage since only paid invoices are included in the

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			percentage calculation. As of September 30, construction is continuing at a good pace, and 543 miles of conduit and 352 miles of fiber have been laid and crews are continuing at a good pace until the winter weather slows down the construction progress.
	2i. Equipment Deployment	26	Equipment deployment is behind our baseline projection as we are now just beginning the majority of CAI connections. In addition to the accrual issues mentioned about, this is an area where we have changed our overall budget in the submitted budget reprogram.
	2j. Network Testing	0	This category is actually being absorbed into the Network Build costs as these expenses are not being specifically broken out. The roughly \$500,000 budgeted here have been reallocated in our submitted budget reprogram.
	2k. Other (please specify):	18	The costs of the outside testing and warehouse facilities is behind our baseline projection of 85%. The facilities were obtained later and are less expensive than our budget, and these dollars were reallocated in our submitted budget reprogram.

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).

As in the previous quarter, permitting has slowed progress in a few areas as the complexity and quantity of required permits has impacted the schedule.
 As noted in the narrative, we have submitted and are awaiting approval on a budget reprogram that contains the same total project build amount, but reallocates the dollars between the various budget categories. This revised budget gives a clearer picture of the actual build costs as we move forward.
 Also, we wanted to note that if we were allowed to use accrued expenses in our percentage calculations, as of September 30 we were actually at 66% completion of the project.

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	352	Although behind our baseline projection of 1693 deployed miles, construction is moving forward rapidly. Conduit was laid for an additional 191 miles through September.
New network miles leased	1,717	New leased fiber is behind our baseline projection of 2145 miles, as three IRUs were in negotiation last quarter, but only two were completed by the end of September.
Existing network miles upgraded	263	This amount is slightly behind our baseline projection of 276 miles. Note that this is a correction of 254 miles previously reported.
Existing network miles leased	0	n/a. Consistent with baseline report.
Number of miles of new fiber (aerial or underground)	352	This is behind our baseline projection of 1474 miles. Construction is continuing on laying new fiber miles, and an area of wireless build will be completed next quarter.
Number of new wireless links	0	Although there are several wireless links that were in the process of being deployed this quarter, none were completed by September 30. This is behind our baseline projection of 134 new wireless links.
Number of new towers	0	This is behind our baseline projection of 134 new towers.
Number of new and/or upgraded interconnection points	46	This is behind our baseline projection of 160 interconnection points due to the previously described delays in construction.

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	6
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	16
Average term of signed agreements (in quarters)	6

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:
 We have signed Master Service Agreements (MSAs) with 21 wholesale and last mile providers. The MSAs provide the framework for actual service agreements of which there were six executed in the last quarter. Our baseline projection was for twelve agreements, so we are behind that estimate. However, as we continue our build into other providers' areas, the MSAs signed will lead to 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:

We are providing transport to the IP transport for these providers.

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. 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	6	Although behind our baseline projection of 12 signed agreements for service, we have the framework for several more agreements in place once we've completed out build to those specific areas.
	Providers with signed agreements receiving improved access	0	n/a. Consistent with the baseline report.
	Providers with signed agreements receiving access to dark fiber	0	n/a. Consistent with the 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	527	Sixty new CAIs were added this quarter. Although some of these CAIs are our contracted subscribers, others now have the access ability to connect if they choose to purchase service from us. We are still behind our baseline projection of 989 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	266	This is behind our baseline projection of 784 subscribers receiving new access due to the delays described above.
	Subscribers receiving improved access	261	This is higher than 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 1Gbps and 10 Gbps connections based on the anchor institution requests.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Residential / Households	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.
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
See attachment	n/a	n/a	n/a	60 new anchors institutions are listed on the attached document.

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
Accomplishments during the fourth quarter will include:
 - Connection to more than 370 new CAIs.
 - Approximately 185 miles and 41 links of the wireless system connected to the network.
 - Approximately 650 total miles of fiber built.
 - The signing of one IRU for 72 additional miles.
 - Signed Master Service Agreements with 10 additional last mile providers throughout the state.
 - Continuing community outreach activities with CAIs, state, regional and local governments, local technology groups and other interested parties.

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	67	Due to the previously described delays as well as the construction invoicing process taking additional time, we will be behind our 94% baseline projection. However, there will still be continuing construction activities in various parts of the state where weather is less of an issue.
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	As part of the submitted budget reprogram, we anticipate that the CDOT rights of way spend will be completed.
2e.	Construction Permits and Other Approvals	100	Although currently at 100% of the baseline projection, costs in this category will continue to be incurred as the baseline amount was understated.
2f.	Site Preparation	7	This amount will be far behind the original baseline projection of 98% complete due to an overstatement in the baseline estimate. These amounts have been corrected in the submitted budget reprogram.
2g.	Equipment Procurement	74	The Equipment spend amount will be behind the baseline projection of 96% due to both the timing of invoicing as well as an actual cost savings in the equipment purchased versus the original budgeted amount. So, equipment purchases will see savings that are applied to other categories. Please note that in the budget categories (the last page of this report), layer 2-3 equipment costs are part of the Construction category.
2h.	Network Build (all components - owned, leased, IRU, etc.)	66	The network build is continuing at full bore through the end of the Fall build season. However, because of the timing of the invoicing of our major contractors, work performed in the Fall will mostly be paid in the first quarter of 2013. So, although physically more than 66% complete, based on payments we will be behind our baseline projections. We also anticipate the signing of one more IRU, but again payment will not occur until January.
2i.	Equipment Deployment	32	With the delays in construction, equipment deployment will also be behind the baseline projection of 95% complete. However, spending will continue in this category over the next three quarters.
2j.	Network Testing	0	This category is actually being absorbed into the Network Build costs as these expenses are not being specifically broken out. So, the roughly \$500,000 in total budget will be reallocated to Network Build.
2k.	Other (please specify):	18	The major cost for this category is for warehousing to store, test and stage equipment for deployment. While this expense will be behind our 94% baseline projection, both the cost and the timing of the warehouse space will result in a budget savings in this category.

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 major impact will be the approval of our submitted reprogrammed budget. This approval is key to allow us to keep on schedule so that the project is complete by August 31, 2013.

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	\$252,000	\$0	\$252,000	\$434,193	\$0	\$434,193	\$535,100	\$0	\$535,100
b. Land, structures, right-of-ways, appraisals, etc.	\$24,832,866	\$11,912,238	\$12,920,628	\$9,965,308	\$8,918,958	\$1,046,350	\$10,298,170	\$8,918,958	\$1,379,212
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	\$9,654,704	\$0	\$9,654,704	\$10,421,167	\$0	\$10,421,167
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	\$54,294,716	\$1,025,000	\$53,269,716	\$69,933,492	\$1,025,000	\$68,908,492
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	\$74,348,921	\$9,943,958	\$64,404,963	\$91,187,929	\$9,943,958	\$81,243,971
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	\$74,348,921	\$9,943,958	\$64,404,963	\$91,187,929	\$9,943,958	\$81,243,971

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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