

RECIPIENT NAME: Eagle-Net Alliance

AWARD NUMBER: NT11BIX5570001

DATE: 06/01/2015

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 NT11BIX5570001	3. DUNS Number 964743988
4. Recipient Organization Eagle-Net Alliance 11800 Ridge Pkwy, Broomfield, CO 80021-6525		
5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2015	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	7c. Telephone (area code, number and extension)	
	7d. Email Address	
7b. Signature of Certifying Official	7e. Date Report Submitted (MM/DD/YYYY):	

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 Accomplishments during the first quarter of 2015 included:
 - One Indefeasible Right of Use (IRU) was purchased and accepted for one fiber mile in Cheyenne, Wyoming to connect the National Center for Atmospheric Research (NCAR) Wyoming Supercomputing Center
 - Completion and submission of FY2014 audited financial report and Single Audit Report to the Federal Audit Clearinghouse.
 - Completed and submitted Federal Communications Commission (FCC) Special Access data request, which was a one-time project requested of all broadband service providers to supply specified connectivity and customer information for a national survey of broadband data.
 - Attended the Colorado Association of School Executives (CASE) winter conference to meet with many school executives and update them on latest project updates.
 - Continual community outreach updates with stakeholders in Durango, Silverton, Custer County, and the Colorado Department of Transportation (CDOT) on the status of the remaining open network projects.
 - Kept in close communication with our Network Operator, Affiniti, regarding ongoing proposals to new Community Anchor Institutions (CAIs) as well as other retail and wholesale opportunities to further utilize the network and increase revenue.

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	99	The Baseline projection was for the network to be 100% completed by August 31, 2013. We fell short of that projection, however, we did receive an approval of our extension request to continue network construction through September 30, 2015. So, construction has continued through this quarter with our overall percentage complete at 99%.
2b.	Environmental Assessment	100	This milestone and the associated spend were completed with both the awarding of the initial Finding of No Significant Impact (FONSI) as well as work done for the Supplemental Environmental Assessment (EA).
2c.	Network Design	100	The network design is complete and spend in this category is complete.
2d.	Rights of Way	100	The dollar amount in this category is substantially higher than the original baseline projection as in the approved budget reprogram, we are now using CDOT rights of way to complete our total match percentage.
2e.	Construction Permits and Other Approvals	100	The original baseline estimate for this category was substantially understated, and has been adjusted in the approved budget reprogram.
2f.	Site Preparation	8	This amount is lower than the baseline projection of 100% as costs that were originally in this category are now part of the Network Build category. This change has been adjusted in the approved budget reprogram.
2g.	Equipment Procurement	98	The network layer 2 and 3 network equipment as well as the wireless equipment has been purchased, and spend in this category is complete.
2h.	Network Build (all components - owned, leased, IRU, etc)	79	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 the baseline projection of 100% complete. This total category amount looks low because the category has changed as part of the approved budget reprogram, and in total the Network build category is about 98 % complete. Progress was made in the Durango-Silverton build as plowing and boring activity to lay conduit continued on that route, but no fiber has been deployed, yet.
2i.	Equipment Deployment	42	This amount from the original baseline estimate is high, and has been changed in the approved budget reprogram.
2j.	Network Testing	0	This category had been absorbed into the Network Build costs as these expenses have not specifically been broken out. The adjustment has been made in the budget reprogram.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2k.	Other (please specify):	32	These costs were for the outside testing and warehouse facilities. These facilities were obtained later than anticipated and are less expensive than projected, so these dollars were reallocated in the approved 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).

Weather continued to be one major challenge. We attempted to complete the build in the city of Durango during the quarter, but weather conditions were a major factor in not allowing us be done with that section by March 31.

Regarding the Custer County wireless build, there are still unknowns regarding one tower required for the build, as we've been told that structural improvements need to be completed, but we have not been given a schedule from the tower owner or any additional information on when those improvements will be completed.

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	795	This quarter, no new fiber or wireless miles were constructed, so the total miles remain the same at 724 deployed fiber miles and 71 deployed wireless miles. The baseline projection was for the project to be complete at 1,946 new network miles, with the revised project goals from the approved supplemental EA totaling 1,470 new network miles. However, based on the remaining open projects in Silverton and Custer County, only 79 miles are budgeted to be completed.
New network miles leased	1,997	One new IRU was purchased this quarter for 1 fiber mile in Cheyenne, Wyoming, so total miles increased to 1,755 leased fiber miles and 242 leased wireless miles from local, regional and national Colorado providers. This is behind the original baseline total network projection of 2,466 leased miles as the number of wireless leases was decreased. The approved revised project goals are for a total of 2,442 leased miles, however, only 74 miles remain to be leased by the project's end.
Existing network miles upgraded	263	The baseline projection was for 317 miles to be upgraded by the end of the project, however all existing miles have been upgraded and completed at 263 miles, 73 wireless and 190 fiber.
Existing network miles leased	0	n/a. Consistent with the Baseline Report.
Number of miles of new fiber (aerial or underground)	724	Please note that the guidance for this metric has changed from total fiber miles in the baseline report (projected to be 1,694 constructed, leased and upgraded fiber miles) to only newly deployed "non-IRU" fiber miles, which is the 724 reported here.
Number of new wireless links	29	The baseline projection was for 154 new wireless links. However, the revised project goals will total 32 wireless links, as the network has transitioned from a primarily wireless network to a primarily fiber network. No new wireless links were completed this quarter.
Number of new towers	0	The baseline projection was for 154 new towers. However, the revised project goals will total 0 new towers, as the network has transitioned from a primarily wireless network to a primarily fiber network. Although no new towers will be built, there will be some leased space on existing towers as part of the approved design plan.

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Number of new and/or upgraded interconnection points	78	The baseline projection was for 184 new interconnection points. However, the revised project goal will total 79 new/upgraded interconnection points, with no new interconnection points added this quarter.

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	25
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	22
Average term of signed agreements (in quarters)	20

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

We currently have 18 signed open access service agreements with wholesale or last mile providers to whom we are providing service, which is the same amount as last quarter. We have a total of 32 Master Service Agreements (MSAs) with wholesale and last mile providers, which provide the framework for service agreements. We are also in negotiations for an additional 22 MSAs and eventual service agreements. In addition, we have sold or exchanged dark fiber IRU to four wholesale providers, one public safety entity, one county government, and the Colorado Department of Transportation. Our baseline projection was for 18 agreements by the end of the project, so with 18 service agreements and 7 IRU sales, we have surpassed that estimate. The 18 completed open access agreements are with:

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 middle mile transport/backhaul to Internet Service Providers (ISPs) and other providers.

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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).

During the 4th Quarter of 2013, an agreement was reached with Affiniti Colorado, LLC, to be the overall network operator for the EAGLE-Net statewide network. This agreement commenced as of October 1, 2013 and is a 25 year agreement. Affiniti has been approved by the NTIA as a sub recipient and will provide all operational activities for the network, with EAGLE-Net continuing ownership and managerial oversight for the network. Affiniti's headquarters are located at:

9208 Waterford Centre Blvd, Suite 150
Austin, Texas 78758-7682.
1-866-949-6631

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	18	We did receive one new signed agreement with a wholesale provider, however, one existing provider with an agreement purchased another existing provider which keeps our total at 18 agreements. This matches our Baseline projection of 18.
	Providers with signed agreements receiving improved access	0	n/a. Consistent with the Baseline Report.
	Providers with signed agreements receiving access to dark fiber	7	In addition to four wholesale providers, we have also sold or exchanged dark fiber to one county government, to one public safety entity, and to the Colorado Department of Transportation. This amount is higher than our Baseline estimate, which did not anticipate the sale of any dark fiber.
	Please identify the speed tiers that are available and the number of subscribers for each	3	Provider speed tiers include 4 at 100 - 500 Mbps, 2 at 500 - 900 Mbps, and 12 at 1 Gbps or higher.
Community Anchor Institutions (including Government institutions)	Total subscribers served	126	No new CAIs were connected this quarter, so our total of 126 connected CAIs remained. Of these, 69 CAIs are currently receiving service either through direct contracts or via partnership agreements.
	Subscribers receiving new access	114	These are new CAI connections from either built fiber, leased fiber, microwave connections or agreements with local last mile providers.
	Subscribers receiving improved access	12	These are upgraded CAI connections from the original Centennial Board of Cooperative Educational Services (BOCES) network.
	Please identify the speed tiers that are available and the number or subscribers for each	4	The 56 school district customers, 5 BOCES customers, 1 Public Library customer and 2 Community College customers to whom we are directly providing service fall into 4 speed tiers: 10-49 Mbps = 30 50-99 Mbps = 11 100-499 Mbps = 17 500 Mbps-1Gbps = 6
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.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	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).

During the next quarter, our accomplishments will include:

- Completion of construction inside the city of Durango. This will include tying in to the city's current conduit as well as installing conduit in city water lines and installing fiber for approximately 2.9 miles.
- Submission and approval of a route change in the town of Silverton. The original route was primarily aerial on the town's power poles. This route is not feasible because of the modifications that would be required on those poles, so the route has changed to underground construction in the town.
- Completion of construction in the town of Silverton. This includes laying new underground fiber through the town and to the school district for approximately 0.75 miles.
- Approval by CDOT of the construction methods to complete the Durango - Cascade Village fiber route build so that construction can be completed in the third quarter of 2015.
- Continuing Community Outreach meetings, especially regarding the Durango to Silverton network progress.
- We do not expect to connect to any new CAIs in the next quarter, however we do expect to sign new agreements with three wholesale or last mile provider companies.

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	Although the percentage complete shows 100%, there will actually be a small amount of grant money left. This will be used to complete the Custer County route. In addition, a contractually committed capital contribution from our Network Operator will allow us to complete the Silverton build, which will be the

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
			last grant funded route to complete. However, it will not be completed until the third quarter of 2015 before the grant extension expires.
2b.	Environmental Assessment	100	This spend category is complete.
2c.	Network Design	100	This spend category is complete.
2d.	Rights of Way	100	This spend category is complete.
2e.	Construction Permits and Other Approvals	100	This spend category is complete.
2f.	Site Preparation	8	Most costs that were initially in this category are now in the Network Build category, as shown in the approved budget reprogram.
2g.	Equipment Procurement	98	Although only 98% of the budgeted funds will be spent in this category, all network equipment will have been purchased by June 30.
2h.	Network Build (all components - owned, leased, IRU, etc.)	80	This total category amount looks low because the category has changed as part of the approved budget reprogram, and in total the Network build category will be about 99 % complete. Construction will continue to complete the Custer County route, which is fully budgeted, and there will still be a portion of the build required to complete the Durango to Silverton route going into the summer of 2015. Additional funding will be provided by our network operator to ensure the completion of this route.
2i.	Equipment Deployment	42	There will some minor spending to complete the wireless equipment installation for Custer County.
2j.	Network Testing	0	All costs that were initially in this category are now in the Network Build category, as shown in the approved budget reprogram.
2k.	Other (please specify):	32	Most costs that were initially in this category are now in the Network Build category, as shown in the approved budget reprogram.

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).

There are two sections of the network to be completed, each with its own challenge. The Silverton build will require both the manpower and financial resources of our network operator, Affiniti, to complete the construction. We are in continual communication with them to ensure that their commitment is strong and that they have allocated sufficient resources to complete the build. The construction along highway 550 cannot begin until Durango's annual Memorial Day bicycle race has been run, so June is a crucial month to begin construction in order to complete the route before September 30.

The Custer County build has been delayed by an AT&T wireless tower that requires major structural modifications before we can complete installation of our equipment on the tower. In the planning of this route, there was no indication that the tower needed work, but as AT&T engineers looked at adding our equipment, the needed modifications came to light. Despite our best efforts, there doesn't seem to be any urgency on their side to complete the modifications, so the timing of when the tower will be ready is in doubt. We have looked at viable alternate routes without success, so we are dependent on AT&T completing this work in order for us to complete the Custer County wireless section of the network.

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	\$9,111,443	\$0	\$9,111,443	\$9,103,310	\$0	\$9,103,310	\$9,117,366	\$0	\$9,117,366
b. Land, structures, right-of-ways, appraisals, etc.	\$36,255,255	\$33,615,587	\$2,639,668	\$36,212,463	\$33,615,587	\$2,596,876	\$36,250,069	\$33,615,587	\$2,634,482
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$16,380,116	\$1,050,000	\$15,330,116	\$16,339,126	\$1,050,000	\$15,289,126	\$16,352,376	\$1,050,000	\$15,302,376
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	\$58,448,208	\$0	\$58,448,208	\$57,688,795	\$0	\$57,688,795	\$58,114,315	\$0	\$58,114,315
j. Equipment	\$15,105,755	\$0	\$15,105,755	\$15,046,114	\$0	\$15,046,114	\$15,046,114	\$0	\$15,046,114
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	\$134,389,808	\$34,665,587	\$99,724,221	\$134,880,240	\$34,665,587	\$100,214,653
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	\$134,389,808	\$34,665,587	\$99,724,221	\$134,880,240	\$34,665,587	\$100,214,653

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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