

RECIPIENT NAME: Eagle-Net Alliance

AWARD NUMBER: NT11BIX5570001

DATE: 11/24/2014

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)**

09-30-2014

**6. Is this the last Report of the Award Period?**

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)**

**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).**

Significant project accomplishments completed during this quarter include:

- Approval of a revised budget for the spending of the remaining BTOP federal funds.
- Acceptance of three purchased IRUs of dark fiber in Dolores County (2) and the town of Mancos for a total of 13.8 miles.
- Agreement completed for the purchase of an IRU in Durango.
- Connections completed to two new K-12 School District CAIs: Dolores County RE-2 and Mancos RE-6.
- New Service being provided to one previously connected CAI, Ridgeway R-2.
- 13 miles of conduit on the Durango to Silverton route completed.
- Procurement of wireless equipment for deployment in Custer County.
- Community Outreach visits and discussions with town and county officials as well as other stakeholders in Durango and Silverton.

**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	98	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 December 31, 2014. So, construction has continued through this quarter with our overall percentage complete at 98%.
2b.	Environmental Assessment	100	This milestone and the associated spend were completed with both the awarding of the initial FONSI as well as work done for the Supplemental EA.
2c.	Network Design	100	Although the logical and network design is complete, the design will continue to be fine-tuned as the design/build process continues.
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	97	Although network layer 2 and 3 equipment has been purchased, there will be some additional procurement of wireless equipment as the final stages of the network are constructed.
2h.	Network Build (all components - owned, leased, IRU, etc)	77	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. Significant progress was made in the Durango-Silverton build as plowing and boring activity to lay conduit was started 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.
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).**

The major challenges were in the Durango - Silverton route. The discovery of a newly identified endangered species, the New Mexico meadow jumping mouse, required additional environmental surveys and created permitting delays so that construction was unable to start until the end of August. Construction crews that had previously been available were harder to obtain, and once construction began, a large number of rocky areas along the route greatly delayed progress. Because the amount of rock boring required was more than anticipated, budget rebalancing was also required to ensure enough funding to complete 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	880	This quarter, no new fiber or wireless miles were completed. This gives a total of 809 deployed fiber miles and 71 deployed wireless miles. The baseline projection was for the project to be complete at 1,946 new network miles, however, the revised project goals total 913 new network miles deployed.
New network miles leased	1,961	Three small mileage IRUs were completed and accepted this quarter adding a total of 13.8 leased miles. These were located in Dolores County for 6.5 and 4.5 miles, and Montezuma County for 2.8 miles. So, through this quarter total miles are now 1,719 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. However, the revised project goals are for a total of 2,027 leased miles, so we are closing in on that total.
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)	809	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 constructed fiber miles, which is the 809 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.
Number of new and/or upgraded interconnection points	59	The baseline projection was for 184 new interconnection points. However, the revised project goal will total 78 new/upgraded interconnection points. No new interconnection points were 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	21
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	19
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 sixteen signed open access service agreements with wholesale or last mile providers to whom we are providing service, which is an increase of three in the last quarter. We have a total of twenty-eight 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 nineteen MSAs and eventual service agreements. In addition, we have sold dark fiber IRU to four wholesale providers and to one county government. Our baseline projection was for eighteen agreements by the end of the project, so with sixteen service agreements and five IRU sales, we have surpassed that estimate.  
 The 16 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 ISPs and other 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).**

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)
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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	16	With Affiniti as our Network Operator, business development activity has been accelerated, as shown by the addition of three new agreements with wholesalers and last mile providers this quarter. These agreements, plus our IRU sales to wholesalers exceeds 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	5	In addition to the four wholesale providers listed above, we have also sold dark fiber to one county government. 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 3 at 100 Mbps, 5 at 300 Mbps, and 8 at 1 Gbps or higher.
Community Anchor Institutions (including Government institutions)	Total subscribers served	126	Two new K-12 school district CAIs were connected this quarter, resulting in a total of 126 connected CAIs. In addition, one previously connected CAI began to receive service during this quarter, for a total of 70 CAIs 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 BOCES network.
	Please identify the speed tiers that are available and the number of subscribers for each	4	The 57 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 = 31 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.
	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
Dolores County RE-2 School District	Dolores County	K-12	no	Connection to provide internet to enhance & improve student education.
Mancos RE-6 School District	Montezuma County	K-12	no	Connection to provide internet to enhance & improve student education.

**Project Indicators (Next Quarter)**

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

Significant accomplishments during the next quarter will include:

- Finalizing an IRU purchase of dark fiber to complete service from Cascade Village to Silverton. This 16 mile IRU is a major part of our Durango - Silverton build.
- Finalizing a purchase of dark fiber to connect to the EAGLE-Net network's grant-named peering location at the NCAR Supercomputing Center in Cheyenne, Wyoming for 12.8 miles.
- Acceptance of an IRU in the city of Durango for 1.8 miles.
- Completion of an agreement to exchange fiber IRUs with another BTOP recipient in Colorado. The exchange will increase the footprint of each entity's network by 34 miles.
- Agreements with three new wholesale service providers to provide monthly service.
- Presenting at a community event in Silverton, "Bridging the Fiber Divide" to discuss the Silverton build schedule and the potential once our network there is completed. We also have planned meetings with CDOT and the US Forest Service to discuss future plans and opportunities.
- Completion of about 6.5 miles of conduit 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	Although the percentage complete shows 100%, there will actually be a small amount of grant money left. In addition, a contractually committed capital contribution from our Network Operator will allow us to complete the Silverton build, which will be the last grant funded route to complete. Unfortunately, due to weather we will be unable to complete this by December 31, 2014, so we will be asking for an extension to complete it in the Spring of 2015.
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 December 31.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2h.	Network Build (all components - owned, leased, IRU, etc.)	80	At the end of December 31, 2014, there will still be a portion of the build required to complete the Durango to Silverton route in the Spring 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 which should be complete by December 31.
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).**

The one major challenge remaining is the completion of the Durango - Silverton build. Due to construction delays, potential weather issues and increasing costs, the build will not be completed until 2015. We will submit an extension request and extension budget for the completion of this build which will now be targeted for the late spring to early summer. In the meantime, we have developed a concise and orderly shut-down plan to ensure that all completed construction segments are "buttoned down" before bad weather hits, covering portions of the route with snow-pack throughout the winter. This will decrease both effort and cost when we resume construction in the spring. Note that the completion of this build will require a capital contribution from our network operator, Affiniti. As part of the network operator agreement, they have committed to help complete this capital build.

**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	\$9,071,933	\$0	\$9,071,933	\$9,093,369	\$0	\$9,093,369
b. Land, structures, right-of-ways, appraisals, etc.	\$36,255,255	\$33,615,587	\$2,639,668	\$36,203,879	\$33,615,587	\$2,588,292	\$36,239,250	\$33,615,587	\$2,623,663
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	\$16,311,682	\$1,050,000	\$15,261,682	\$16,350,176	\$1,050,000	\$15,300,176
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	\$55,690,732	\$0	\$55,690,732	\$58,420,501	\$0	\$58,420,501
j. Equipment	\$15,105,755	\$0	\$15,105,755	\$14,956,994	\$0	\$14,956,994	\$15,049,924	\$0	\$15,049,924
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	\$132,235,220	\$34,665,587	\$97,569,633	\$135,153,220	\$34,665,587	\$100,487,633
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	\$132,235,220	\$34,665,587	\$97,569,633	\$135,153,220	\$34,665,587	\$100,487,633

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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Affinity Transport - WAN no Internet		WAN Transport - Per Site per Port or Termination (Includes 2 Ports LOC-A + LOC-Z)			
Carrier Access - 2014		12 Month	24 Month	36 Month	60 Month
Full Duplex	Mbps		\$/MRC	\$/MRC	\$/MRC
Bandwidth	10	ICB			
	100	ICB			
	200	ICB			
	500	ICB			
	1000*	ICB			
	10000*	ICB			

\*Subject to verification of capability on network and/or type of access (fiber or wireless)