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	NT12BIX5570002	808193960

4. Recipient Organization

Zayo Group, LLC 400 Centennial Pkwy Suite 200, Louisville, CO 80027-1210

5. Current Reporting Period End Date (MM/DD/YYYY)	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)
David Lundy	3039477052
	7d. Email Address
	david.lundy@zayo.com

7b. Signature of Certifying Official	7e. Date Report Submitted (MM/DD/YYYY):
Submitted Electronically	05-30-2012

Project Indicators (This Quarter)

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

This grant was originally awarded to Zayo Bandwidth, LLC, under award # NT10BIX5570071. Following the wind-up of a corporate merger in late 2011, the government approved a transfer in March 2012 and awarded the grant to the current recipient who is a Zayo affiliate under Award # NT12BIX5570002. A seamless transition period is expected because the purpose and goals of the original grant have not changed, key project staff will remain intact, and we anticipate very little, if any, impact on the project implementation schedule. The numbers below reflect the actual numbers to date based on the entire project. The numbers below in Section 2 through the Infrastructure Budget Execution Details on the last page of this report reflect the percentages of the the money moved forward with this award.

Current aerial miles constructed is 28 of 94 total.
Current underground miles constructed is 58 of 175 total.
Total miles currently constructed is 86 of 269 for the total project for a total percentage of ~32% complete.
Miles not yet constructed but all permits received is 61.

Interconnection points installed 233 of 625 for a total of ~37% complete. Zayo leaves a slack loop for tie in purposes every 2,000 feet. This is what we label as interconnection points.
We have currently connected 8 CAI's of the 145 CAI's for the whole project for a total percentage of ~5.5% complete.
We currently have 15 Railroad ROW permits of 17 total for a total of 88% complete.
We currently have 15 City Permits of 32 total for a total of 47% complete.
We currently have 14 County Permits of 32 total for a total of 44% complete.
We currently have 16 State Permits of 24 total for a total of 67% complete.
We currently have 4 DNR Permits of 12 total for a total of 33% complete.
We currently have 1 Corp of Engrs Permits of 4 total for a total of 25% complete.
We currently have 65 permits of 121 total for a total of 54% Complete for all permits.
We currently have 1550 miles of Aerial Poles Make Ready completed of 1710 total for a total of 91% complete.

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	This percentage is based on spend based on the total for both awards. This is 6.7% ahead of our baseline. This is because of proper planning and execution of the project on Zayo's part.
2b.	Environmental Assessment	100	This is in line with the detailed budget attached to the original grant.
2c.	Network Design	60	This is based on total dollars spent for both awards.
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	0	N/A
2f.	Site Preparation	0	This is 23% below our baseline. This is because Zayo included this in our baseline plan but did not plan for it in our detailed budget because after review, zayo is not building any hut sites.
2g.	Equipment Procurement	7	This percentage is based on spend based on the total for both awards. This is 16% behind our baseline. This is because Zayo has not purchased all of our equipment yet. Zayo is waiting until the the spaces are ready before purchasing the equipment to avoid warehousing costs.
2h.	Network Build (all components - owned, leased, IRU, etc)	32	This percentage is based on spend based on the total for both awards. This is 9% ahead our baseline. This is because of proper planning and execution of the project on Zayo's part.
2i.	Equipment Deployment	0	This is 23% below our baseline. This is because Zayo included this in our baseline plan but did not plan for it in our detailed budget. If you look at the Network Build percentage above, Zayo is 9% ahead. Zayo figures that Build equals deployment.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2j.	Network Testing	0	N/A
2k.	Other (please specify):	0	N/A

3. To the extent not covered above, please describe any challenges or issues faced during this past quarter in achieving planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).

Zayo has applied for an addendum to our Environmental Assessment (EA) to allow us to go from aerial to underground in certain areas to allow us to avoid excessive pole change out and make ready fees.

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	86	Based on actual build, we are 19 miles ahead of our baseline.
New network miles leased	0	N/A
Existing network miles upgraded	0	N/A
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	86	We are 19 miles ahead of our baseline.
Number of new wireless links	0	N/A
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	15	This is 30 behind our baseline. This is because we are equally spacing all interconnection points.

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	2
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:
N/A

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:
N/A

5d. If you have designated a third party to operate all or a portion of your network, please provide the name and contact information for this third party, indicate if this entity is a sub recipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this this third party operates (600 words or less).
N/A

6. Please provide the data according to the type of subscriber. Write "0" in the Total column and "N/A" in the Narrative column if your project does not pass or serve a particular subscriber type. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (300 words or less).

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Broadband Wholesalers or Last Mile Providers	**Providers with signed agreements receiving new access**	0	N/A
	Providers with signed agreements receiving improved access	0	N/A
	Providers with signed agreements receiving access to dark fiber	0	N/A
	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**	0	This is in line with our baseline.
	Subscribers receiving new access	0	This is 8 in line with our baseline.
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number or subscribers for each	0	45Mpbs, 155Mbps, 620Mbps, 2,480Mbps, 50Mbps, 100Mbps, 100Mbps, 2,480Mbps, 10,000Mbps, Dark Fiber.
Residential / Households	**Entities passed**	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A
Businesses	**Entities passed**	0	N/A
	Total subscribers served	0	N/A
	Subscribers receiving new access	0	N/A
	Subscribers receiving improved access	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	N/A

7. Please describe any special offerings you may provide (600 words or less).
None.

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).

Zayo currently has approved permits for several miles ~40 that we will be able to construct once we receive approval of our requested EA Addendum. Depending on how soon we get approval, we should be able to finish this project well ahead of schedule.

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	73	This percentage is based on spend based on the total for both awards. This is 47.7% ahead of our baseline. This is because of proper planning and execution of the project on Zayo's part.
2b.	Environmental Assessment	100	This is in line with the detailed budget attached to the original grant.
2c.	Network Design	100	This is based on total dollars spent for both awards. This is 15% ahead of our baseline. This is because of proper planning and execution of the project on Zayo's part.
2d.	Rights of Way	0	N/A
2e.	Construction Permits and Other Approvals	0	N/A
2f.	Site Preparation	0	This is 38% below our baseline. This is because Zayo included this in our baseline plan but did not plan for it in our detailed budget because after review, zayo is not building any hut sites.
2g.	Equipment Procurement	93	This percentage is based on spend based on the total for both awards. This is 55% ahead of our baseline. This is because Zayo should be ahead of our build as outlined in 2a above and will be preparing to install the equipment..
2h.	Network Build (all components - owned, leased, IRU, etc.)	69	This percentage is based on spend based on the total for both awards. This is 17% ahead our baseline. This is because of proper planning and execution of the project on Zayo's part.
2i.	Equipment Deployment	0	This is 38% below our baseline. This is because Zayo included this in our baseline plan but did not plan for it in our detailed budget. If you look at the Network Build percentage above, Zayo is 17% ahead. Zayo figures that Build equals deployment.
2j.	Network Testing	0	N/A

		Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2k.	Other (please specify):	0	N/A

3. Please describe any challenges or issues anticipated during the next quarter that may impact planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).

Once we have our EA addendum approved we are not expecting any further challenges or issues.

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	$0	$0	$0	$0	$0	$0	$0	$0	$0
b. Land, structures, right-of-ways, appraisals, etc.	$0	$0	$0	$0	$0	$0	$0	$0	$0
c. Relocation expenses and payments	$0	$0	$0	$0	$0	$0	$0	$0	$0
d. Architectural and engineering fees	$603,779	$181,134	$422,645	$350,669	$105,201	$245,468	$253,110	$75,933	$177,177
e. Other architectural and engineering fees	$22,601	$6,780	$15,821	$22,601	$6,780	$15,821	$0	$0	$0
f. Project inspection fees	$0	$0	$0	$0	$0	$0	$0	$0	$0
g. Site work	$0	$0	$0	$0	$0	$0	$0	$0	$0
h. Demolition and removal	$0	$0	$0	$0	$0	$0	$0	$0	$0
i. Construction	$15,004,615	$4,501,385	$10,503,230	$4,652,353	$1,395,706	$3,256,647	$10,352,262	$3,105,679	$7,246,583
j. Equipment	$2,647,380	$794,214	$1,853,166	$179,991	$53,997	$125,994	$2,467,389	$740,217	$1,727,172
k. Miscellaneous	$0	$0	$0	$0	$0	$0	$0	$0	$0
l. SUBTOTAL (add a through k)	$18,278,375	$5,483,513	$12,794,862	$5,205,614	$1,561,684	$3,643,930	$13,072,761	$3,921,829	$9,150,932
m. Contingencies	$0	$0	$0	$0	$0	$0	$0	$0	$0
n. TOTALS (sum of l and m)	$18,278,375	$5,483,513	$12,794,862	$5,205,614	$1,561,684	$3,643,930	$13,072,761	$3,921,829	$9,150,932

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