

**QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS**

**General Information**

<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b>  Department of Commerce, National Telecommunications and Information Administration	<b>2. Award Identification Number</b>  NT10BIX5570055	<b>3. DUNS Number</b>  800021990
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<b>4. Recipient Organization</b>  Navajo Tribal Utility Authority Company Highway 12 N, Fort Defiance, AZ 86504
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<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  06-30-2011	<b>6. Is this the last Report of the Award Period?</b>  <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.

<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Monroe Keedo	<b>7c. Telephone (area code, number and extension)</b>  9287296282
	<b>7d. Email Address</b>  monroek@ntua.com

<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  08-09-2011
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**Project Indicators (This Quarter)**

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

Significant project accomplishments for this quarter are listed below

1. Data Center and Network Operating Center (NOC) construction commencement
2. Completion of over 80 miles of fiber optic plant
3. Reaching final stages of Critical Agreements including Tri-State and Scared Wind
4. Hiring Consultant to work on Indian Allotments issues
5. Ordering all fiber optic cable and hardware in advance to avoid potential shortages in supply
6. Formal signing of Electronics Contract

**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	14	Reasons for the variance include: 1. Delays in the overall project are due to subsequent delays in Make Ready production. Make Ready delays were caused due to failure of pole strength calculations on certain segments of NTUA power lines which required additional replacement of poles and reduction of pole spans. Areas in which pole replacement was not feasible, re-design was necessary in order to maintain integrity of the system and adhere to all applicable NESC and RUS codes and regulations. 2. Traversing over Indian Allotments have caused delays in fiber optic build out. NTUA has taken multiple steps to resolve issue including the following: 1. Hiring consultant to obtain Allottee consent 2. Approaching Bureau of Indian Affairs for assistance 3. Engineering an alternate route design
2b.	Environmental Assessment	90	Reasons for variance in the EA are due to changes in the location of towers that are outside the original EA. To start construction on the sites the following steps are required. 1. Further environment and cultural studies and final assessment 2. Acquire approvals from Fish & Wildlife 3. Submit changes to the NTIA for approval Formal environmental and cultural studies are currently under way and NTUA anticipates submitting an action award request for NTIA approval once NTUA obtain final results of the studies and approval from U.S. Fish and wildlife.
2c.	Network Design	95	Variance in Network Design is due to the following: 1. Additional network design is required as a contingency plan if Indian allotment negotiations fail. 2. Augmentation of original design to account for change in fiber optic cable placement on electric poles in certain segments to increase production of fiber optic plant construction as well as increase safety for electrical linemen.
2d.	Rights of Way	55	Variance in ROW is a consequence of previous delays in obtaining ROW as well as changes in the Navajo Nation and BIA process for ROW approval. We note that it appears that the issues related to these delays have been resolved.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2e.	Construction Permits and Other Approvals	55	Variance in construction permit approvals is due to delays in the submittal process. NTUA has submitted all permit applications required for New Mexico. Furthermore, NTUA hired T&D Contractors to expedite the development of profiles required for permit application in Arizona. NTUA will submit permit applications to the Arizona Department of Transportation in piecemeal fashion as they receive profiles for individual areas from T&D contractors.
2f.	Site Preparation	50	No Variance
2g.	Equipment Procurement	75	Variance is due to delays in network build
2h.	Network Build (all components - owned, leased, IRU, etc)	14	Reasons for the variance include the following: 1. Discrepancies in OPGW construction approval process from RUS. NTUA has revised and submitted the RUS OPGW Approval Package in accordance with RUS requests. 2. Delay in OPGW construction due to conflict with electrical power loading issues resulting in inability to de-energize the Navajo Agricultural Products Industry (NAPI) farms area of construction. To remedy the issue, NTUA is re-designing the placement of the fiber optic cable to allow for energized work. 3. Delays in Tower RFP process. Tower RFP process has been initiated to remedy this schedule delay.
2i.	Equipment Deployment	0	Variance is due to the following 1. Delay in finalizing IRU agreements. NTUA is in the final stage of signing the IRU Agreement. 2. Delays in physical network build out. NTUA is developing remedies to increase production of build out.
2j.	Network Testing	0	Variance in network testing is due overall build out. NTUA can not commence network testing until electronics are delivered. NTUA anticipates delivery of first phase of electronics in September 2011.
2k.	Other (please specify):	0	-

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).

Issues faced during this past quarter in achieving planned progress against the project milestones include the following:

1. Obtaining RUS Approval for fiber optic build out.
2. Delays in make ready
3. Obtaining consent from Indian Allottees.
4. Obtaining all construction permits in Arizona.

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	80	Variance is due to an elongated RUS approval process as well as delays in make ready.
New network miles leased	0	Variance is due to an extended negotiation process regarding the IRU. NTUA is in the final stages of the agreement and anticipate signing early next quarter. We note that NTUA did agree to an MOU with the Navajo Nation in the second quarter.

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Existing network miles upgraded	0	Variance is due to delay in finalizing IRU agreements. NTUA is in the final stage of signing the IRU Agreement.
Existing network miles leased	0	Variance is due to delay in finalizing IRU agreements. NTUA is in the final stage of signing the IRU Agreement.
Number of miles of new fiber (aerial or underground)	80	Variance is due to an elongated RUS approval process for approval of OPGW installation, as well as delays in make ready.
Number of new wireless links	0	Variance is due to delays in physical network build out. NTUA is developing remedies to increase production of build out.
Number of new towers	2	Variance is due to delays in RFP process in selecting tower building contractor. NTUA is currently building 8 new tower sites and anticipates completion of additional towers in 6-8 weeks.
Number of new and/or upgraded interconnection points	0	Variance is due to delay in finalizing IRU agreements. NTUA is in the final stage of signing the IRU Agreement.

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	1
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	6
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:  
NTUA Wireless, LLC

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:

NTUA is currently conducting a formal Broadband Rate Study to determine the wholesale services and associated pricing.

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).

The last mile portion of the grant will be operated by NTUA Wireless.

Name: NTUA Wireless LLC  
c/o Navajo Tribal Utility Authority  
Highway 12-N  
Fort Defiance, AZ 86504

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	Variance is due to an elongated IRU agreement process. NTUA is in the final stages

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Providers with signed agreements receiving improved access	0	No Variance
	Providers with signed agreements receiving access to dark fiber	0	Variance is due to an elongated IRU agreement process. NTUA is in the final stages
	Please identify the speed tiers that are available and the number of subscribers for each	0	No Variance
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Variance is due to delays in network build. NTUA is taking steps to increase production
	Subscribers receiving new access	0	Variance is due to delays in network build. NTUA is taking steps to increase production
	Subscribers receiving improved access	0	No Variance
	Please identify the speed tiers that are available and the number or subscribers for each	0	No Speed tiers available at this time
Residential / Households	Entities passed	0	Variance is due to delays in network build. NTUA is taking steps to increase production
	Total subscribers served	0	Variance is due to delays in network build. NTUA is taking steps to increase production
	Subscribers receiving new access	0	Variance is due to delays in network build. NTUA is taking steps to increase production
	Subscribers receiving improved access	0	Variance is due to delays in network build. NTUA is taking steps to increase production
	Please identify the speed tiers that are available and the number of subscribers for each	0	No Speed tiers available at this time
Businesses	Entities passed	0	Variance is due to delays in network build. NTUA is taking steps to increase production
	Total subscribers served	0	Variance is due to delays in network build. NTUA is taking steps to increase production
	Subscribers receiving new access	0	Variance is due to delays in network build. NTUA is taking steps to increase production
	Subscribers receiving improved access	0	Variance is due to delays in network build. NTUA is taking steps to increase production
	Please identify the speed tiers that are available and the number of subscribers for each	0	No Speed tiers available at this time

7. Please describe any special offerings you may provide (600 words or less).

N/A

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	Type of Anchor	Are you also the	Narrative description of how anchor institutions are using BTOP-
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	Area (town or county)	Institution (as defined in your baseline)	broadband service provider for this institution? (Yes / No)	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).**

Significant project accomplishments slated for next quarter include the following:

1. Resolving the Indian Allotment Issue
2. Energizing a portion of the fiber optic build out and commence with network testing
3. Finalizing the IRU agreement as well as the Scared Wind agreement
4. Delivery, installation, and configuration of Shelters and Electronics for phase 1
5. Installation of additional Tower structures
6. Marketing for last mile services with the hiring of new General Manager for NTUA Wireless, Inc.
7. Completion of new LTE equipment ordering

**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	26	Variance is due to subsequent delays in Make Ready production as well as delays in tower construction. NTUA has acquired additional crews to assist with Make Ready and streamlined the tower RFP process to expedite build out.
2b.	Environmental Assessment	95	Reasons for variance in the EA are due to changes in the location of towers that are outside the original EA. To start construction on the sites the following steps are required. 1. Further environment and cultural studies and final assessment 2. Acquire approvals from Fish & Wildlife 3. Submit changes to the NTIA for approval Formal environmental and cultural studies are currently under way and NTUA anticipates submitting an action award request for NTIA approval once NTUA obtain final results of the studies and approval from U.S. Fish and wildlife.
2c.	Network Design	100	No Variance
2d.	Rights of Way	75	Variance is due to changes in original network design which require additional ROW approvals.
2e.	Construction Permits and Other Approvals	70	Variance in construction permit approvals is due to delays in the submittal process. NTUA has submitted all permit applications required for New Mexico. Furthermore, NTUA hired T&D Contractors to expedite the development of profiles required for permit application in Arizona. NTUA will submit permit applications to the Arizona Department of Transportation in piecemeal fashion as they receive profiles for individual areas from T&D contractors.
2f.	Site Preparation	75	No Variance
2g.	Equipment Procurement	75	Variance is due to delays in network build out.
2h.	Network Build (all components - owned, leased, IRU, etc.)	30	Variance is due to previous delays trickling down to the next quarter. NTUA has developed a process to increase production.
2i.	Equipment Deployment	15	Variance is due to a lack of signed agreements. NTUA anticipates completion of critical agreements prior to the end of the quarter at which time equipment will be deployed in a phased approach.
2j.	Network Testing	15	Variance is due to delays in network build out and a lack of signed agreements. NTUA anticipates testing to begin during this quarter.
2k.	Other (please specify):	0	-

**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).**

Challenge

1. Resolving the Indian Allotment Issue
2. Weather related issues - NTUA will be in their rainy season
3. Energizing a portion of the fiber optic build out to commence with network testing
4. Timely approvals of OPGW installation by RUS

**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	\$100,000	\$0	\$100,000	\$100,000	\$0	\$100,000	\$100,000	\$0	\$100,000
b. Land, structures, right-of-ways, appraisals, etc.	\$890,000	\$250,000	\$640,000	\$1,374,752	\$412,425	\$962,326	\$2,392,886	\$700,865	\$1,692,020
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$1,996,658	\$800,000	\$1,196,658	\$1,003,139	\$300,951	\$702,188	\$1,895,149	\$568,554	\$1,326,595
e. Other architectural and engineering fees	\$9,600	\$0	\$9,600	\$0	\$0	\$0	\$4,500	\$0	\$4,500
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$3,529,823	\$0	\$3,529,823	\$168,853	\$50,646	\$118,207	\$523,706	\$97,375	\$426,331
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$36,736,021	\$12,171,577	\$24,564,444	\$3,177,490	\$954,876	\$2,222,614	\$5,444,926	\$1,635,107	\$3,809,819
j. Equipment	\$2,253,000	\$490,958	\$1,762,042	\$650,533	\$195,160	\$455,374	\$1,261,991	\$378,597	\$883,395
k. Miscellaneous	\$387,500	\$0	\$387,500	\$5,427	\$0	\$5,427	\$18,354	\$0	\$18,354
<b>l. SUBTOTAL (add a through k)</b>	<b>\$45,902,602</b>	<b>\$13,712,535</b>	<b>\$32,190,067</b>	<b>\$6,480,194</b>	<b>\$1,914,058</b>	<b>\$4,566,136</b>	<b>\$11,641,512</b>	<b>\$3,380,498</b>	<b>\$8,261,014</b>
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>n. TOTALS (sum of l and m)</b>	<b>\$45,902,602</b>	<b>\$13,712,535</b>	<b>\$32,190,067</b>	<b>\$6,480,194</b>	<b>\$1,914,058</b>	<b>\$4,566,136</b>	<b>\$11,641,512</b>	<b>\$3,380,498</b>	<b>\$8,261,014</b>

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