

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 NT10BIX5570055	3. DUNS Number 800021990
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4. Recipient Organization Navajo Tribal Utility Authority Company Highway 12 N, Fort Defiance, AZ 86504

5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2012	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 Lester Lee	7c. Telephone (area code, number and extension) X
	7d. Email Address lesterl@ntua.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-29-2012
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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 completed during this quarter include the following:

1. 368 miles of fiber optic construction complete (67%).
2. 451 miles of Make Ready complete (82%).
3. 23 towers complete (72%)
4. Data Center Building Construction Complete (100%).
5. NTUA has commenced with a solar powered microwave solution to by-pass Indian Allotment 1928.

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	63	Reasons for variance from the baseline are as follows: Delays in the overall project are due to previous delays in the make ready process, Indian Allotment issues, and ROW. NTUA took proactive steps to alleviate the issues including increasing crew sizes for the fiber optic construction, hiring additional contractors to assist with Make Ready, and hiring a consultant to address the allotment issues.
2b.	Environmental Assessment	90	Variance in the Environmental Assessment is due to changes in six tower locations. NTUA is in the process of finalizing the documentation to submit to the NTIA for approval including cultural resources compliance forms, biological compliance forms, landuser's approvals, legal survey, etc...
2c.	Network Design	100	No Variance
2d.	Rights of Way	85	Variance in obtaining Rights of Way (ROW) stems from previous delays in submittal process as well as changes in Navajo Nation ROW process. NTUA ROW agents / Government liaisons are working directly with the Navajo Nation, Bureau of Indian Affairs (BIA), and the Arizona Department of Transportation to expedite the approval process. All submittals have been submitted to the various agencies and NTUA is currently waiting for approval
2e.	Construction Permits and Other Approvals	80	Variance in obtaining permits is due previous delays. To speed up the process, NTUA is augmenting the ROW team with additional resources from the NTUA Engineering Dept. The Engineering Department is assisting with acquiring the permits for the laterals to the community anchor institutions as well as bringing power to the sites.
2f.	Site Preparation	90	Variance in site preparation is due to changes in tower locations. NTUA is in the process of finalizing the documentation to submit to the NTIA for approval. Once the award action request is submitted and approved, NTUA shall commence with the final site preparation for the six remaining tower sites that require changes.
2g.	Equipment Procurement	90	Variance is due to delay last mile contract negotiations. All middle mile equipment has procured and staged in accordance with the construction schedule. With respect to last mile equipment, NTUA has procured all 4G LTE equipment and the Netbooks. NTUA is in negotiations to obtain the dongles and SIM cards by October 2012.
2h.	Network Build (all components - owned, leased, IRU, etc)	75	Variance is due to a delay in constructing the six towers that require additional approvals due to site changes as well as delays in obtaining the easement rights to transverse the Indian Allotments. To alleviate the delays, NTUA has hired a consultant to address the allotments. With respect to the six towers changes, NTUA will submit an award action request during the following quarter.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
	2i. Equipment Deployment	65	Variance is due to previous delays in the construction of the fiber optic plant, the tower build out, and delays in finalizing the microwave procurement. NTUA has taken steps to address the delays in construction including hiring additional contractors to assist the NTUA and the microwave procurement contract is complete. NTUA anticipates obtaining all microwave equipment during the first month of the next quarter.
	2j. Network Testing	45	Variance in network testing is due to delays in construction. DBTech has commenced with optical time-domain reflectometer (OTDR) testing on the fiber optic segments that are constructed
	2k. Other (please specify):	-	-

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).

Challenges faced during the past quarter in achieving the planned progress are as follows:

- Delays in obtaining easement rights to transverse Indian Allotments causing NTUA to dedicate additional resources for by-passing the allotments. NTUA commenced with a solar powered microwave solution to by pass Indian Allotment 1928 until easements are granted.
- Weather related delays including rain/snow, muddy conditions, and high winds.

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	368	Variance is due to previous delays in make ready and lack of easement rights to transverse Indian Allotments. NTUA has alleviated the make ready issues and hired a consultant to address the allotment issue.
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)	368	Variance is due to previous delays in make ready and lack of easement rights to transverse Indian Allotments. NTUA has alleviated the make ready issues and hired a consultant to address the allotment issue.
Number of new wireless links	0	Variance is due to delays in the microwave procurement process. NTUA has completed the microwave procurement process and anticipates delivery, staging, and installation of wireless links starting during the first month of the following quarter.
Number of new towers	23	Variance is due to previous delays in tower construction. NTUA anticipates completion of 26 towers during the first month of the next quarter with six towers remaining to construct.
Number of new and/or upgraded interconnection points	0	Variance is due to delays in the physical network build out.

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	5

Indicators	
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	2
Average term of signed agreements (in quarters)	4

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 - As the grant sub-recipient, NTUA Wireless will be working on the wireless services.
 NTUA has signed an agreement to provide the Navajo Nation dark fibers. The agreement will be for the life of the fiber optic plant.
 NTUA anticipates the fiber optic plant to span 20-30 years without replacement.
 Cogent Communications - NTUA has an agreement to purchase bandwidth for one year.
 Cellular One - NTUA has an agreement with Cellular One to lease tower space for one year.
 Conterra Ultra - NTUA has an agreement with Conterra Ultra to lease tower space for one year.

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 has finalized their Broadband Rate Study to determine wholesale services and associated pricing. The rate study will cover bandwidth pricing for dark fibers, dedicated internet access (DIA), point to point services, and transport services from their Data Center to a point of presence in Albuquerque. NTUA shall present the findings of the rate study to the NTUA board of directors during the first month of the following quarter for approval at which time the rates will be published.

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).
 Name: NTUA Wireless LLC
 Type of Entity: Sub-recipient
 CO: Michael Scully
 Address: NTUA Wireless LLC
 P.O. Box 1947
 Chinle, AZ 86503

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 delays in construction. NTUA has taken appropriate steps to expedite construction.
	Providers with signed agreements receiving improved access	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction.
	Providers with signed agreements receiving access to dark fiber	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction. The speed tiers that will be available for subscribers within the NTUA Broadband Tariff shall be published after NTUA Board approval.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction.
	Subscribers receiving new access	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction.
	Subscribers receiving improved access	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction.
	Please identify the speed tiers that are available and the number or subscribers for each	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction.
Residential / Households	Entities passed	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Total subscribers served	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction.
	Subscribers receiving new access	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction.
	Subscribers receiving improved access	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction. NTUA Wireless (Sub-recipient) shall publish their residential rates with the launch of their marketing plan.
Businesses	Entities passed	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction.
	Total subscribers served	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction.
	Subscribers receiving new access	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction.
	Subscribers receiving improved access	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction. The speed tiers that will be available for subscribers within the NTUA Broadband Tariff shall be published after NTUA Board approval.

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 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).

1. Completion of all Make Ready work.
2. Approval of the Broadband Tariff by NTUA Board of Directors
3. Energizing the 2/3 of the fiber optic systems.
4. Procurement of all microwave equipment.
5. Construction of over 85% of fiber optic plant. NTUA anticipates completion of over 475 miles of fiber plant by the end of the next quarter.
6. Construction of 26 towers. Submission and NTIA approval of six tower site changes.
7. Deployment of over 50% of LTE Base Stations.
8. Providing power to over 75% of telecommunications shelters and community anchor institutions.
9. Providing power to 100% of constructed tower sites.
10. NTUA anticipates connecting one CAI, the Upper Fruitland Chapter House before the end of the next quarter.

11. NTUA anticipates no additional broadband wholesaler/last mile provider agreements signed by the end of the next quarter. NTUA is currently in negotiations with CenturyLink for a backup path to the Albuquerque point of presence.

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	74	Variance will be due to the Indian Allotment issues. NTUA has hired a consultant to address the issue.
2b.	Environmental Assessment	100	No Variance
2c.	Network Design	100	No Variance
2d.	Rights of Way	85	Variance is due to the elongated process for obtaining easement rights for traversing Indian Allotments. NTUA has taken steps to expedite the allotment process including hiring additional consultants to approach the allottees.
2e.	Construction Permits and Other Approvals	100	No Variance
2f.	Site Preparation	100	No Variance
2g.	Equipment Procurement	90	Variance will be due to delays in procuring the last mile dongles
2h.	Network Build (all components - owned, leased, IRU, etc.)	85	Variance will be due to previous delays and potential delays in build out due to Indian Allotments.
2i.	Equipment Deployment	85	Variance will be due to previous delays and potential delays in build out due to Indian Allotments. Deployment of the wireless links have a potential for delay depending on remaining tower construction.
2j.	Network Testing	85	Variance is a consequence of previous delays in construction
2k.	Other (please specify):		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).

Challenges anticipated in the next quarter are listed below:

1. Obtaining easement rights for the remaining Indian Allotments.
2. Weather related delays including rain, muddy conditions, and high winds.

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	\$29,873	\$70,127	\$100,000	\$29,873	\$70,127	\$100,000	\$29,873	\$70,127
b. Land, structures, right-of-ways, appraisals, etc.	\$890,000	\$265,871	\$624,129	\$344,661	\$102,961	\$241,700	\$413,593	\$123,553	\$290,040
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$1,996,658	\$596,464	\$1,400,194	\$1,065,378	\$318,261	\$747,117	\$1,278,454	\$381,914	\$896,540
e. Other architectural and engineering fees	\$9,600	\$2,868	\$6,732	\$2,100	\$627	\$1,473	\$2,519	\$752	\$1,767
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$3,529,823	\$1,054,468	\$2,475,355	\$2,978,117	\$889,656	\$2,088,461	\$3,275,927	\$978,621	\$2,297,306
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$36,736,021	\$10,974,193	\$25,761,829	\$22,881,640	\$6,856,529	\$16,025,111	\$27,457,964	\$8,227,832	\$19,230,132
j. Equipment	\$2,253,000	\$673,041	\$1,579,959	\$1,136,675	\$339,560	\$797,115	\$1,364,010	\$407,472	\$956,538
k. Miscellaneous	\$387,500	\$115,758	\$271,742	\$327,616	\$97,869	\$229,747	\$360,377	\$107,656	\$252,721
l. SUBTOTAL (add a through k)	\$45,902,602	\$13,712,536	\$32,190,067	\$28,836,187	\$8,635,336	\$20,200,851	\$34,252,844	\$10,257,673	\$23,995,171
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$45,902,602	\$13,712,536	\$32,190,067	\$28,836,187	\$8,635,336	\$20,200,851	\$34,252,844	\$10,257,673	\$23,995,171

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: \$20,983	b. Program Income to Date: \$77,173
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