

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
--	---	--

4. Recipient Organization

 Navajo Tribal Utility Authority Company Highway 12 N, Fort Defiance, AZ 86504

5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2012	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 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): 02-22-2013
---	--

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 1. 525 miles of fiber optic backbone construction complete (95%)
 2. 18.5 miles of fiber laterals complete for a total of 23 of the 27 community anchor institutions (CAI) are connected via fiber optics. In addition, one CAI connection (Lechee Chapter House) via microwave has been completed.
 3. 26 of the 32 towers completed (81%).
 3. Thirty six of the forty eight Microwave Links have been installed (75%).

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	89	NTUA has experienced various circumstances that have caused delays. The most noteworthy of these circumstances are listed below: 1. Weather – Throughout the course of the completing the project, NTUA ran into scheduling delays due to severe weather conditions. The remote nature of the fiber and tower installation within the extremely rural Navajo Nation often dictated caution govern before moving forward in the severe weather conditions. These conditions include: 1) severe wind storms that delayed hanging fiber and installing towers and related equipment; 2) freezing temperatures and snow conditions that makes rural roads impassable for trucks and vehicles necessary to complete the installation of fiber and towers. Additionally, Hurricane Sandy prompted numerous contractor employees to depart the project to either address personal impacts or to seek employment in that urban area. 2. Need for Tower Relocations – As a result of ownership issues related to numerous relatives and governmental approvals necessary for certain site locations, as well as request for site lease payments from certain land owners and the improved technology of the to be installed equipment, NTUA requested and received approval from NTIA to relocate either minimally or substantially, numerous towers. These circumstances caused delays in the completion of tower build outs.
2b.	Environmental Assessment	100	No Variance
2c.	Network Design	100	No Variance
2d.	Rights of Way	97	Variance is due to delays in receiving approval to build the power line to Hole in the Rock Tower and the Red Lake Tower. NTUA anticipates receiving approval during the next quarter to build the power lines.
2e.	Construction Permits and Other Approvals	100	No Variance
2f.	Site Preparation	96	Variance is due to adverse weather conditions that are preventing NTUA from completing the foundation for Hole in the Rock. Also, NTUA encountered hard rock at the Piney Hill tower which caused delays in the drilling process.
2g.	Equipment Procurement	93	Variance is due to delays in obtaining switching electronics for the microwave sites and procuring a new tower piece required to complete the Little Water tower installation. NTUA has ordered the remaining piece for Little Water and anticipates delivery in early February 2013.
2h.	Network Build (all components - owned, leased, IRU, etc)	92	Variance in the network build is due to the following: 1. Approval for the change in locations for the remaining six towers. 2. Delays in the microwave installation for the towers not built. NTUA has received approval to build the remaining tower sites and construction is underway.
2i.	Equipment Deployment	92	Variance is due to delays in receiving the remaining tower section for the Little Water tower site which was damaged.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2j.	Network Testing	80	Variance is due to delays in tower construction leading to delays in microwave installation and LTE installation.
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 include the following:

1. Weather related issues.
2. Holiday Season causing shortages of staff.
3. Delays in tower construction.

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	1,067	Variance in the number of new fiber miles deployed is due to the contractor allocating some of their resources for clean upon segments already constructed. The clean up is required for final close out and certification in order to commence with the internal audit process. In addition to the 525 fiber backbone miles deployed, NTUA also deployed 18.5 miles in fiber laterals and 524 miles of point to point microwave links. Total new miles deployed is 1067.5.
New network miles leased	171	No Variance
Existing network miles upgraded	0	No Variance
Existing network miles leased	0	No Variance
Number of miles of new fiber (aerial or underground)	544	Variance due to the contractor allocating some of their resources to clean up and deviations on segments already constructed. NTUA requires the segments already constructed to be ready for final approval and certification in order to commence with the internal audit process. NTUA shall complete all construction of outside plant before the end of the next quarter.
Number of new wireless links	36	Variance is due to delays in the tower construction. NTUA has received approval to build the remaining towers and are proceeding with construction.
Number of new towers	26	Variance is due to weather related issues changes in the location of the six remaining towers. NTUA has received NTIA approval for site changes and are proceeding with construction.
Number of new and/or upgraded interconnection points	0	No Variance

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	4
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	2

Indicators	
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:

1. NTUA Wireless LLC - As the grant sub-recipient, NTUA Wireless will be working on the wireless services.
2. 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.
3. Cellular One - NTUA has an agreement with Cellular One to lease tower space for one year.
4. 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. To validate the findings of the rate study, NTUA has hired an independent party to develop a financial pro forma and a sustainability plan. NTUA shall submit the pro forma and sustainability plan to the NTUA prior to the end of the following quarter.

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).

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	3	Variance is due to delays in construction. NTUA has taken the appropriate measures to expedite construction.
	Providers with signed agreements receiving improved access	0	Variance is due to delays in construction. NTUA has taken the appropriate measures to expedite construction.
	Providers with signed agreements receiving access to dark fiber	1	Variance is due to delays in construction. NTUA has taken the appropriate measures 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 the appropriate measures to expedite construction. NTUA has hired an independent party to review the findings of the Broadband Rate Study and develop a sustainable financial pro forma.
Community Anchor Institutions (including Government institutions)	Total subscribers served	24	Variance is due to delays in construction. NTUA has taken the appropriate measures to expedite construction. A total of 24 community anchor institutions have been connected. 23 via fiber optics and 1 via microwave.
	Subscribers receiving new access	24	Variance is due to delays in construction. NTUA has taken the appropriate measures to expedite construction.
	Subscribers receiving improved access	0	Variance is due to delays in construction. NTUA has taken the appropriate measures to expedite construction.
	Please identify the speed tiers that are available and the number or subscribers for each	0	The speed tiers that are available for CAIs are listed below: 1.0-3.0 Mbps download speed. 0.5-2.0 Mbps upload speed. If a CAI required additional capacity, NTUA shall have custom solutions available up to 10 Gbps.
Residential / Households	Entities passed	0	Variance is due to delays in construction. NTUA has taken the appropriate measures 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 the appropriate measures to expedite construction.
	Subscribers receiving new access	0	Variance is due to delays in construction. NTUA has taken the appropriate measures to expedite construction.
	Subscribers receiving improved access	0	Variance is due to delays in construction. NTUA has taken the appropriate measures 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 the appropriate measures to expedite construction. NTUA has hired an independent party to review the findings of the Broadband Rate Study and develop a sustainable financial pro forma.
Businesses	Entities passed	0	Variance is due to delays in construction. NTUA has taken the appropriate measures to expedite construction.
	Total subscribers served	0	Variance is due to delays in construction. NTUA has taken the appropriate measures to expedite construction.
	Subscribers receiving new access	0	Variance is due to delays in construction. NTUA has taken the appropriate measures to expedite construction.
	Subscribers receiving improved access	0	Variance is due to delays in construction. NTUA has taken the appropriate measures 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 the appropriate measures to expedite construction. NTUA has hired an independent party to review the findings of the Broadband Rate Study and develop a sustainable financial pro forma.

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
Ft. Defiance Chapter	Ft. Defiance	Other Government Facilities	yes	N/A
Dennehotso Chapter	Dennehotso	Other Government Facilities	yes	N/A
Ganado Chapter	Ganado	Other Government Facilities	yes	N/A
Lukachukai Chapter	Lukachukai	Other Government Facilities	yes	N/A
Many Farms Chapter	Many Farms	Other Government Facilities	yes	N/A

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
Tselani/Cottonwood Chapter	Tselani/Cottonwood	Other Government Facilities	yes	N/A
Red Lake(Navajo) Chapter	Red Lake	Other Government Facilities	yes	N/A
Rock Point Chapter	Rock Point	Other Government Facilities	yes	N/A

Project Indicators (Next Quarter)

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

Significant accomplishments planned for completion during the next quarter including the following.

1. All fiber optic construction (571 miles) including the backbone and laterals shall be complete.
2. 30 of the 32 towers will be complete equating to 94% completion.
3. 43 of 49 Community Anchor institutions will be complete equating to 87%
4. 44 of the 48 microwave links will be installed and tested equating to 92% completion.
5. 18 of the 43 LTE sites will be fully tested, optimized, and ready for friendly user trials equating to 43% completion.
6. Regarding broadband wholesaler/last mile provider agreements, NTUA does not anticipate any new agreements completed during the following quarter. NTUA is currently in negotiations with CenturyLink to provide them capacity from Farmington to Shiprock. Also, NTUA anticipates finalizing the agreements with the Navajo Nation to provide them services as addressed in the Memorandum of Understanding signed by both parties.

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	92	Variance is due to previous delays in weather and tower construction which lead to delays in microwave link and 4G LTE installation and testing.
2b.	Environmental Assessment	100	No Variance
2c.	Network Design	100	No Variance
2d.	Rights of Way	100	No Variance
2e.	Construction Permits and Other Approvals	100	No Variance
2f.	Site Preparation	100	No Variance
2g.	Equipment Procurement	100	No Variance
2h.	Network Build (all components - owned, leased, IRU, etc.)	97	Variance is due to previous delays in weather and tower construction which lead to delays in microwave link and 4G LTE installation and testing.
2i.	Equipment Deployment	96	Variance is due to previous delays in weather and tower construction which lead to delays in microwave link and 4G LTE installation and testing.
2j.	Network Testing	85	Variance is due to delays in the equipment deployment
2k.	Other (please specify):		-

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 during the next quarter include closing out work order packages and performing an internal audit prior to closing out project.

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	\$890,000	\$265,871	\$624,129	\$890,000	\$265,871	\$624,129
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	\$1,856,538	\$554,606	\$1,301,932	\$1,895,650	\$554,661	\$1,340,989
e. Other architectural and engineering fees	\$9,600	\$2,868	\$6,732	\$9,302	\$2,779	\$6,523	\$9,302	\$2,779	\$6,523
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	\$3,296,172	\$984,669	\$2,311,503	\$3,296,501	\$984,767	\$2,311,734
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$36,736,021	\$10,974,192	\$25,761,829	\$32,781,201	\$9,792,764	\$22,988,437	\$33,941,555	\$10,178,374	\$23,763,181
j. Equipment	\$2,253,000	\$673,041	\$1,579,959	\$1,747,233	\$521,953	\$1,225,280	\$1,747,407	\$522,005	\$1,225,402
k. Miscellaneous	\$387,500	\$115,758	\$271,742	\$303,467	\$90,655	\$212,812	\$303,497	\$90,664	\$212,833
l. SUBTOTAL (add a through k)	\$45,902,602	\$13,712,535	\$32,190,067	\$40,983,913	\$12,243,170	\$28,740,743	\$42,183,912	\$12,628,994	\$29,554,918
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$45,902,602	\$13,712,535	\$32,190,067	\$40,983,913	\$12,243,170	\$28,740,743	\$42,183,912	\$12,628,994	\$29,554,918

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: \$265,596
---	--------------------------------------