

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 NT10BIX5570053	3. DUNS Number 855036690
4. Recipient Organization PTI Pacifica, Inc., dba: IT&E 122 W. Harmon Industrial Park Road Suite 103, Tamuning, GU 96913-4164		
5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2010	6. Is this the last Report of the Award Period? <div style="text-align: center;"> <input type="radio"/> Yes <input checked="" type="radio"/> No </div>	
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 Velma Ann Palacios Engineering Manager	7c. Telephone (area code, number and extension) 6706822090	7d. Email Address velma.palacios@itehq.net
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 02-10-2011	

Project Indicators (This Quarter)

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

Last quarter contracts were awarded for three projects under this Grant, namely, Increase Capacity of Fiber Optic System, Increase Capacity of Inter-island Microwave System, and 17 Hops - 3G Back Haul Project. These projects will improve broadband access.

For the Fiber Optic System, weekly project calls were conducted with the Contractor. IT&E's project team completed site preparation for all 5 sites in Guam, Rota, Tinian, and Saipan. All equipment for this project were received. Project implementation started in November 2010. All fiber optical upgrade work was completed by the contractor the last week of December. This included the installation of new equipment, commissioning, software upgrade testing and integration.

For the Increase Capacity of Inter-island Microwave System, the Prior Coordination Notice (PCN) required by the Federal Communications Commission (FCC) was issued. A Statement of Work was finalized in December 2010. The Contractor was given the Purchase Order to commence the manufacturing of the radios. Site preparation work, network design and floor plans continues.

The 17 Hops - 3G Back Haul Project is progressing very well. Eleven radio links (hops) have been installed and tested per the Statement of Work. Three radio links (hops) have been installed but have not been completely tested. There are three more radio links (hops) that have yet to be completely installed.

Cost negotiations were conducted with the three shortlisted proposers of the 29 Hops - 3G Back Haul System on Guam Request For Proposal issued 8/27/10. It resulted in an award in November 2010. A kick off project meeting was conducted between the contractor and IT&E. Contractor is preparing Antenna Structure Registrations with Federal Aviation Agency (FAA) and the Federal Communications Commission (FCC) for these 29 Hops. Also, arrangements for site surveys for all 46 sites on Guam are being made.

The Request for Proposal for the Prepaid Charging System was re-issued on 11/1/10 with a more defined scope of work. Seven proposers responded to this request for proposal and have since been short listed to four proposers. Customer references with contacts have been requested from each one.

An Invitation for Bid for Cisco Multiprotocol Label Switching (MPLS) Hardware was issued on 10/5/10 for the Enhancement of IT&E's Internet Protocol Core Network Project. Six bidders responded and an award was made in December. Another Invitation for Bid for Cisco Internetwork Operating Software (IOS) was issued 12/1/10.

An Invitation for Bid was issued 10/18/10 for Network Racks and Accessories for the new Network Operations Center. An award has been made. Shipment of racks and accessories have been confirmed. Site preparation work has been completed which included the termination of copper and fiber optic cables into the building.

Acquiring consulting services for the Billing System Project is being considered.

Community Outreach continues by providing project updates through press releases.

Compliance with Federal Procurement guidelines and other requirements continues.

Drafting of Statement of Work for the procurement of auditing services as required in the Grant Award conditions.

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	15	IT&E has issued two additional purchase orders for the Interisland Microwave Project and the 29 Hops 3G Back Haul Project. Installation of one project has been completed during the quarter. Installation of another project is at 65%. Projects are moving on schedule, but the expenditures are tracking behind the baseline schedule because IT&E does not draw down and pay until invoices are received from vendors or contractors.
2b.	Environmental Assessment	0	IT&E has a Categorical Exclusion.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2c.	Network Design	9	Re-design of NOCR Project had to be done. Re-issuance of Prepaid RFP added another delay. Purchase Order was just issued for the 29 Hops Project. Percentage complete is based on actual expenditures, however, project is progressing and we expect expenditures to catch up with actual project progress once invoices are received.
2d.	Rights of Way	0	IT&E has received a Categorical Exclusion. No work will be done in the Rights of Way.
2e.	Construction Permits and Other Approvals	4	Purchase Orders had just been issued this quarter. Information being gathered to submit FCC license application. Percentage complete is based on actual expenditures, however, project is progressing and we expect expenditures to catch up with actual project progress once invoices are received.
2f.	Site Preparation	3	Shipping delay of racks.
2g.	Equipment Procurement	21	Expenditures will be accrued upon receipt of equipment and invoices.
2h.	Network Build (all components - owned, leased, IRU, etc)	8	Installation of Fiber Optic Cards completed this quarter.
2i.	Equipment Deployment	8	Installation of Fiber Optic Cards completed this quarter. Equipment for 17 Hops were installed.
2j.	Network Testing	9	Fiber Optic Project has been tested and cut over.
2k.	TRAVEL/TRAINING/ Other (please specify): CONVERSION STRATEGY	7	Travel has been mainly for inter-island site survey, project implementation and inspection.

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).

Prepaid Charging System Request For Proposal had to be re-issued with a more defined scope because the cost proposals submitted in the initial RFP was over IT&E's project budget.
 There were technical issues that had to be resolved with the lowest bidder for the MPLS Invitation for Bid, which delayed the issuance of a Purchase Order and in turn delayed the manufacture and ship date of the hardware.
 There also was a delay in shipping of the racks for the Network Operations Center (Data Center) due to its size. The racks had to be ocean freight since it was too large to be shipped via air. There were no bids received for one of the schedules for the Invitation for Bid which caused another delay.

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	0	N/A
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)	0	N/A
Number of new wireless links	8	More customers were connected.
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	2	Due to Upgrade in the Fiber Optics Project.

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	0
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 of less). Providers: Marianas Cablevision (MCV) - The term of the agreement in 5a is 60 months or 20 quarters.

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 of less). Wholesale services description:
IP Transport between Guam and Saipan on undersea fiber optic cable.

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 of 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	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 or subscribers for each	0	N/A

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
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 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
NONE THIS QUARTER	N/A	N/A	N/A	NONE THIS QUARTER

Project Indicators (Next Quarter)

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

Inter-island Microwave: Continue with site preparation, Upgrade DC power.
Complete and submit FCC601 forms along with Application Filing Fees.

Receive Radio equipment, antennas, and associated equipment from NEC.

Fiber: IT&E to complete equipment tagging and punchlist. Ciena to complete and submit As-Builts to IT&E. IT&E Project Manager to sign Installation Completion Notice and return to Ciena.

NOCR: For the 1st quarter of 2011, we are estimating to receive all required equipment and materials to complete the Rack installation and network wiring. A method of procedure is being developed prior to actual installation/relocation of the network core elements, including router, switches and servers to the new data center.

MPLS: The Routers, Switches and its IOS are expected to be received before on or before February 2011. They will be tested in a lab environment prior to deployment. The CWDM will also be re-tested between Tinian and Rota which has a distance of 120Km.

Upon completion of the rack installation and network wiring in the new Saipan data center, 2 (two) of the Cisco 6506-E will be mounted and put in production.

Prepaid: IT&E will be contacting the customer references provided by the short listed Bidders for feedback on the Bidder's performance. IT&E will evaluate the feedback and may enter into a best and final offer phase with selected Bidders. IT&E expects to select the winning proposal after receiving the best and final offer information.

Postpaid: IT&E will work on completing the Postpaid Billing System RFP to include system design and component specifications. IT&E to finalize the hiring a billing consultant to assist in the RFP process and project implementation.

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	57	Project Implementation continues for two projects.
2b.	Environmental Assessment	0	IT&E has received a Categorical Exclusion.
2c.	Network Design	95	Network Design will continue.
2d.	Rights of Way	0	IT&E has received a Categorical Exclusion. No work will be done in the Rights of Way.
2e.	Construction Permits and Other Approvals	37	FCC License applications will be submitted for approval.
2f.	Site Preparation	40	Site preparation will commence for two projects.
2g.	Equipment Procurement	45	Equipment is expected to arrive for two projects.
2h.	Network Build (all components - owned, leased, IRU, etc.)	26	Project Implementation continues.
2i.	Equipment Deployment	29	Equipment Deployment will continue.
2j.	Network Testing	12	Testing of equipment will continue.
2k.	Other (please specify): TRAVEL/ TRAINING/ CONVERSION STRATEGY	20	Inter-island travel due to project implementation and site survey will continue.

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).

Equipment or Material arrival may be delayed due to lead time required by Manufacturers. FCC license approvals may not be received in the expected timeframe.

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	\$499,200	\$0	\$499,200	\$20,725	\$0	\$20,725	\$189,696	\$0	\$189,696
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	\$759,456	\$264,000	\$495,456	\$293,476	\$264,000	\$29,476	\$658,388	\$264,000	\$394,388
e. Other architectural and engineering fees	\$2,553,604	\$1,328,400	\$1,225,204	\$25,192	\$25,192	\$0	\$2,213,975	\$1,151,267	\$1,062,708
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$354,013	\$0	\$354,013	\$7,620	\$0	\$7,620	\$140,330	\$0	\$140,330
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
j. Equipment	\$5,225,979	\$0	\$5,225,979	\$1,115,625	\$0	\$1,115,625	\$2,350,223	\$0	\$2,350,223
k. Miscellaneous	\$670,740	\$430,800	\$239,940	\$58,158	\$15,688	\$42,470	\$146,624	\$93,839	\$52,785
l. SUBTOTAL (add a through k)	\$10,062,992	\$2,023,200	\$8,039,792	\$1,520,796	\$304,880	\$1,215,916	\$5,699,236	\$1,509,106	\$4,190,130
m. Contingencies									
n. TOTALS (sum of l and m)	\$10,062,992	\$2,023,200	\$8,039,792	\$1,520,796	\$304,880	\$1,215,916	\$5,699,236	\$1,509,106	\$4,190,130

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