

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
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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) 03-31-2011	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 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): 05-13-2011
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Project Indicators (This Quarter)

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

For the Increase Capacity of Fiber Optic System, installation, testing and cutover has been completed. Final Project As-builts have been reviewed, finalized and approved. Project completion, acceptance and turnover has been done between IT&E and the contractor. Final invoices have been processed.

For the Increase Capacity of Interisland Microwave System, project calls continue. Federal Communications Commission 601 forms have been prepared and reviewed. Issuance of Purchase Order for the DC Power Systems for each of the sites. Site preparation and network design continue on the four islands. Equipment manufacturing has started.

All installation work, testing and commissioning of radios for the 17 Hops under the 3G Back Haul Project have been completed. As-builts and final report have been turned over by the contractor. Project completion and acceptance notices have been signed. Final invoices have been processed.

For the 29 Hops - 3G Back Haul Project, site survey of 46 sites was conducted in January by the contractor. Final survey report has been issued. Federal Communications Commission 601 forms have been prepared and reviewed. Manufacturing of radio equipment has started. Antennae orders have been placed and is enroute to Guam. Removal of old equipment and site preparation of the 46 project sites have started.

Best and Final Offers were requested from the shortlisted bidders of the Request for Proposal for the Prepaid Charging System. Intent of Award has been issued. Contract has been drafted and is being reviewed by both parties.

An Request for Proposal for a Billing Consultant has been drafted to assist the IT&E team in preparing a comprehensive RFP for a postpaid billing systems for telecommunications to include billing, CRM, Business Support Systems (BSS), and OSS (Operations Support Systems).

Equipment under the Invitation for Bids for Cisco Multiprotocol Label Switching Hardware and Internetwork Operating Software have been received.

Installation of cabinet racks have been deployed in the Data Center in Guam and Alternating Current (AC) power has been installed. Network cabling has also started. The Cisco 7604 and 6509-E switches have been installed in Guam and the uplinks of the existing access switches to the 6509-E are being moved.

Network cabling work, installation of DSX panels, and fiber cable splicing continues in the Network Operations Center in Saipan. Cisco 6590-E Equipment is being tested before deployment. AC power to all racks have been installed.

A request for proposal to conduct a program specific audit as required by the Grant Award Conditions was issued on 1/24/2011. Three bidders responded to the request for proposal. An award was made on 2/10/2011 to Ernst and Young. Field work by the auditors has started.

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	27	Project is 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 the vendors and contractors. Two projects have been completed.
2b.	Environmental Assessment	0	IT&E has a Categorical Exclusion
2c.	Network Design	14	Prepaid Billing System RFP had to be re-issued. Best and Final Offers were conducted.
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	6	FCC license applications have been submitted but approvals have not been granted.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2f.	Site Preparation	5	Shipment of racks were delayed.
2g.	Equipment Procurement	41	Purchase Orders have been issued. However, expenditures will be accrued upon receipt of equipment and invoices.
2h.	Network Build (all components - owned, leased, IRU, etc)	10	17 Hops Project installed.
2i.	Equipment Deployment	10	Equipment deployment continues for the MPLS Project.
2j.	Network Testing	12	17 Hops Project has been tested and cut over.
2k.	Other (please specify): Travel/Training/ Conversion Strategy	10	Inter-island travel to the other islands for 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).

Shipment via Japan was held due to the Earthquake and Tsunami on 3/11/2011. A thorough inspection must be done to ensure no radiation is present. Contract reviews by legal department. Waiting for FCC license approvals.

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 fiber optic 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 or 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 or 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 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	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
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

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	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
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).
 Program Specific Audit Project: Meet with Auditors for more audit testing/field work. Submission of Preliminary Audit Report and discussion of any issues. Receive Final Audit Report and Submit to Office of Inspector General (OIG) and Program Officer.
 Network Operations Center Relocation Project: Completion of Network Cabling. Installation of Cisco ASA5510. Migration of Routers, Switches, Servers, as well as the migration of any existing customer circuits.
 Enhance IP Core Network (MPLS) Project: Deployment of CWDM MUX in Guam, Saipan, Tinian and Rota. Installation of 4506-E switches in Tinian and Rota. Installation of 6509E- in Saipan. Completion of Network cabling in Saipan and Guam Data Network Operations Center. Installation of additional four cabinet racks for Guam. Migration of the uplinks to the new 6509-E and 7604.
 Upgrade of Inter-Island Microwave Project: Receive radio equipment, antennas, and associated equipment from NEC. Conduct inventory equipment. Continue with project calls and site preparation on all four islands, Saipan, Tinian, Rota and Guam. Upgrade DC power at four locations, Mt. Tapochau Site, Susupe Site, Mt. Sabana Site and Tinian Site. Submit FCC601 forms. Install antennas and associated cables. Install, commission and turn-up radios. Align antennas. Attend off-island training for microwave radio equipment.
 Undersea Fiber Optic Project: Off-island Training of fiber engineering and design.
 Prepaid Billing System: Finalize and sign contract agreements. Finalize Project Timeline and prepare marketing configuration sheets.
 Postpaid Billing System: Finalize and issue Billing Consultant RFP. Award Consultant Contract. Work with consultant to draft an RFP for Postpaid Billing System.
 29 Hops - 3G Back Haul System Project: Expect Frequency License Applications approval by FCC. Shipment of 1st batch of equipment tentative scheduled for mid April. Receive and inventory first batch of equipment. Deployment of first batch of equipment in May. 2nd Batch of equipment Manufacturing and shipment to Guam.

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	88	Project implementation will begin for the 29 Hops Project and the Inter-island Microwave Upgrade.
2b.	Environmental Assessment	0	IT&E has received a Categorical Exclusion.
2c.	Network Design	97	Prepaid Billing System Configuration will begin in June and should be completed by September.
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	100	FCC license approvals are expected to be received within three months.
2f.	Site Preparation	52	Site preparation will continue for the 29 Hops Project and the Inter-island Microwave Project.
2g.	Equipment Procurement	100	Remaining equipment for NOC and MPLS will be procured Q2 2011
2h.	Network Build (all components - owned, leased, IRU, etc.)	29	Build of 29 Hops Project and Inter-Island Microwave Upgrade will begin Q2 2011
2i.	Equipment Deployment	30	Equipment for 29 Hops Project and Inter-Island Microwave Upgrade will start Q2 2011
2j.	Network Testing	30	Network testing will begin for 29 Hops Project and Inter-Island Microwave Upgrade as soon as equipment is installed.
2k.	Training and Conversion Strategy	41	Inter-island travel due to project implementation will continue. Off-island training and on-site training will be conducted for different projects.

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).

Shipments via Japan may be held due to the Earthquake and Tsunami on 3/11/2011. A thorough inspection must be done to ensure no radiation is present on any shipments leaving Japan for other countries. Board Approval. Waiting for FCC license approvals. Weather delays.

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	\$36,648	\$0	\$36,648	\$298,147	\$0	\$298,147
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	\$459,811	\$421,759	\$38,052	\$685,639	\$239,974	\$445,665
e. Other architectural and engineering fees	\$2,553,604	\$1,328,400	\$1,225,204	\$0	\$0	\$0	\$2,305,905	\$1,199,071	\$1,106,834
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$354,013	\$0	\$354,013	\$14,418	\$153	\$14,265	\$204,478	\$0	\$204,478
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	\$2,152,922	\$6,868	\$2,146,053	\$5,159,914	\$0	\$5,159,914
k. Miscellaneous	\$670,740	\$430,800	\$239,940	\$75,297	\$30,442	\$44,855	\$219,093	\$140,220	\$78,873
l. SUBTOTAL (add a through k)	\$10,062,992	\$2,023,200	\$8,039,792	\$2,739,096	\$459,222	\$2,279,873	\$8,873,176	\$1,579,265	\$7,293,911
m. Contingencies									
n. TOTALS (sum of l and m)	\$10,062,992	\$2,023,200	\$8,039,792	\$2,739,096	\$459,222	\$2,279,873	\$8,873,176	\$1,579,265	\$7,293,911

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
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