

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

**General Information**

|                                                                                                                                                                            |                                                             |                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------|
| <b>1. Federal Agency and Organizational Element to Which Report is Submitted</b><br><br>Department of Commerce, National Telecommunications and Information Administration | <b>2. Award Identification Number</b><br><br>NT10BIX5570053 | <b>3. DUNS Number</b><br><br>855036690 |
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| <b>4. Recipient Organization</b><br><br>PTI Pacifica, Inc., dba: IT&E 122 W. Harmon Industrial Park Road<br>Suite 103, Tamuning, GU 96913-4164 |
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|                                                                            |                                                                                                                             |
|----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| <b>5. Current Reporting Period End Date (MM/DD/YYYY)</b><br><br>03-31-2013 | <b>6. Is this the last Report of the Award Period?</b><br><br><input checked="" type="radio"/> Yes <input 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.

|                                                                                                                        |                                                                          |
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| <b>7a. Typed or Printed Name and Title of Certifying Official</b><br><br>Velma Ann Palacios<br><br>Engineering Manager | <b>7c. Telephone (area code, number and extension)</b><br><br>6706822090 |
|                                                                                                                        | <b>7d. Email Address</b><br><br>velma.palacios@itehq.net                 |

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| <b>7b. Signature of Certifying Official</b><br><br>Submitted Electronically | <b>7e. Date Report Submitted (MM/DD/YYYY):</b><br><br>05-14-2013 |
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|                                                    |
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**Project Indicators (This Quarter)**

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

Postpaid Billing Project has been completed. On-site Training has been completed.

As of February 28, 2013, IT&E has spent \$2,972,146, which more than the required 20% of it's Match Share of \$2,023,200. IT&E committed these additional funds for this Grant Award.

IT&E has started working on the close-out of the grant award. UCC-1 Filings have been completed in Guam and CNMI. These filings have been submitted to the Grants Office.

**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                                          | 100              | Postpaid Billing Project completed. IT&E has added more than the required Match Share.                                          |
| 2b. | Environmental Assessment                                 | 0                | IT&E received a categorical exclusion.                                                                                          |
| 2c. | Network Design                                           | 100              | Network Design completed.                                                                                                       |
| 2d. | Rights of Way                                            | 0                | No work done in the rights of way.                                                                                              |
| 2e. | Construction Permits and Other Approvals                 | 100              | All FCC licenses approved and received.                                                                                         |
| 2f. | Site Preparation                                         | 100              | Site preparation completed.                                                                                                     |
| 2g. | Equipment Procurement                                    | 100              | All equipment has been procured.                                                                                                |
| 2h. | Network Build (all components - owned, leased, IRU, etc) | 100              | Build has been completed.                                                                                                       |
| 2i. | Equipment Deployment                                     | 100              | All equipment deployed.                                                                                                         |
| 2j. | Network Testing                                          | 100              | Testing completed                                                                                                               |
| 2k. | Other (please specify):                                  | 100              | Travel and training completed.                                                                                                  |

**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).**

none.

**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      | 197   | Microwave Network Miles Deployed. No new network miles deployed this quarter.                                                                                               |
| New network miles leased        | 0     | N/A                                                                                                                                                                         |
| Existing network miles upgraded | 307   | Mileage from the upgrades to the Fiber Optic (171.68 fiber miles) and the Inter-Island Microwave (135.87 microwave miles) Projects. No network miles upgraded this quarter. |
| Existing network miles leased   | 0     | N/A                                                                                                                                                                         |

| Indicator                                            | Total | Narrative (describe your reasons for any variance from the baseline plan or any other relevant information) |
|------------------------------------------------------|-------|-------------------------------------------------------------------------------------------------------------|
| Number of miles of new fiber (aerial or underground) | 0     | N/A                                                                                                         |
| Number of new wireless links                         | 11    | New customers added.                                                                                        |
| Number of new towers                                 | 0     | N/A                                                                                                         |
| Number of new and/or upgraded interconnection points | 73    | Interconnection points from projects completed.                                                             |

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 the 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                                | 1     | One signed agreement.                                                                                       |
|                                                                   | 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 | 1     | One subscriber receiving 10Mbps.                                                                            |
| Community Anchor Institutions (including Government institutions) | Total subscribers served                                                                  | 420   | 13 added this quarter.                                                                                      |

| Subscriber Type          | Access Type                                                                               | Total | Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)                                                         |
|--------------------------|-------------------------------------------------------------------------------------------|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                          | Subscribers receiving new access                                                          | 103   | 13 received new access this quarter.                                                                                                                                |
|                          | Subscribers receiving improved access                                                     | 317   | No improved access this quarter.                                                                                                                                    |
|                          | Please identify the speed tiers that are available and the number or subscribers for each | 4     | 3Mbps up to 6Mbps - 44 subscribers, 2.5 Mbps up to 3 Mbps - 69 subscribers, 1.5 Mbps up to 2.5 Mbps - 108 subscribers and 768 kbps up to 1.5 Mbps - 199 subscribers |
| 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.

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 |
|---------------------------------------|-------------------------------|----------------------------------------------------------|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Commonwealth Board of Nurse Examiners | Saipan                        | Government Institution                                   | Y                                                                            | New broadband service provided.                                                       |
| DCCA - Office of the Secretary        | Saipan                        | Government Institution                                   | Y                                                                            | New broadband service provided.                                                       |
| DPH - HOME VISITING PROGRAM OFFICE    | Saipan                        | Healthcare Provider                                      | Y                                                                            | New broadband service provided.                                                       |

| 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 |
|-------------------------------------------------------------|-------------------------------|----------------------------------------------------------|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| DPS - Juvenile Section                                      | Saipan                        | Public Safety                                            | Y                                                                            | New broadband service provided.                                                       |
| Kagman Community Health Center                              | Saipan                        | Healthcare Provider                                      | Y                                                                            | New broadband service provided.                                                       |
| R & EQ Day & Night Childcare                                | Saipan                        | Community Support                                        | Y                                                                            | New broadband service provided.                                                       |
| St. Paul's Episcopal Church                                 | Saipan                        | Community Support                                        | Y                                                                            | New broadband service provided.                                                       |
| Yona Public Library                                         | Guam                          | Library                                                  | Y                                                                            | New broadband service provided.                                                       |
| Nieves M. Flores Memorial Library                           | Guam                          | Library                                                  | Y                                                                            | New broadband service provided.                                                       |
| Merizo Public Library (Rosa Aguigui Reyes Memorial Library) | Guam                          | Library                                                  | Y                                                                            | New broadband service provided.                                                       |
| Dededo Public Library                                       | Guam                          | Library                                                  | Y                                                                            | New broadband service provided.                                                       |
| Barrigada Public Library                                    | Guam                          | Library                                                  | Y                                                                            | New broadband service provided.                                                       |
| Agat Public Library (Maria R. Aguigui Memorial Library)     | Guam                          | Library                                                  | Y                                                                            | New broadband service provided.                                                       |

**Project Indicators (Next Quarter)**

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).  
 None - Grant Period ended 2/28/2013. IT&E will be working on close out of Grant by 5/29/2013. Final Audit will be conducted and submitted as required. \$35,989.77 of federal funds remain as these funds are for activities (like the audit), related to Close Out.

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                                           | 100                      | Project Completed. Grant Award expired 2/28/13.                                                    |
| 2b. | Environmental Assessment                                  | 0                        | n/a                                                                                                |
| 2c. | Network Design                                            | 100                      | Project Completed. Grant Award expired 2/28/13.                                                    |
| 2d. | Rights of Way                                             | 0                        | n/a                                                                                                |
| 2e. | Construction Permits and Other Approvals                  | 100                      | Project Completed. Grant Award expired 2/28/13.                                                    |
| 2f. | Site Preparation                                          | 100                      | Project Completed. Grant Award expired 2/28/13.                                                    |
| 2g. | Equipment Procurement                                     | 100                      | Project Completed. Grant Award expired 2/28/13.                                                    |
| 2h. | Network Build (all components - owned, leased, IRU, etc.) | 100                      | Project Completed. Grant Award expired 2/28/13.                                                    |
| 2i. | Equipment Deployment                                      | 100                      | Project Completed. Grant Award expired 2/28/13.                                                    |
| 2j. | Network Testing                                           | 100                      | Project Completed. Grant Award expired 2/28/13.                                                    |

|     | Milestone               | Planned Percent Complete | Narrative (describe reasons for any variance from baseline plan or any other relevant information) |
|-----|-------------------------|--------------------------|----------------------------------------------------------------------------------------------------|
| 2k. | Other (please specify): | 100                      | Project Completed. Grant Award expired 2/28/13.                                                    |

**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).**

None - Grant Period ended 2/28/13.

Empty text area for providing details on challenges or issues.

**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                 | \$268,147           | \$0                   | \$268,147            | \$370,877                                                              | \$163,225          | \$207,652          | \$406,867                                                                       | \$163,225          | \$243,642          |
| 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                | \$1,188,651         | \$492,546             | \$696,105            | \$1,083,974                                                            | \$361,568          | \$722,406          | \$1,083,974                                                                     | \$361,568          | \$722,406          |
| e. Other architectural and engineering fees          | \$2,349,110         | \$1,262,684           | \$1,086,426          | \$2,213,551                                                            | \$1,160,911        | \$1,052,640        | \$2,213,551                                                                     | \$1,160,911        | \$1,052,640        |
| f. Project inspection fees                           | \$0                 | \$0                   | \$0                  | \$0                                                                    | \$0                | \$0                | \$0                                                                             | \$0                | \$0                |
| g. Site work                                         | \$138,904           | \$69,439              | \$69,465             | \$129,389                                                              | \$59,924           | \$69,465           | \$129,389                                                                       | \$59,924           | \$69,465           |
| 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                                         | \$5,789,766         | \$0                   | \$5,789,766          | \$5,917,062                                                            | \$95,751           | \$5,821,311        | \$5,917,062                                                                     | \$95,751           | \$5,821,311        |
| k. Miscellaneous                                     | \$328,414           | \$198,531             | \$129,883            | \$312,149                                                              | \$181,821          | \$130,328          | \$312,149                                                                       | \$181,821          | \$130,328          |
| <b>l. SUBTOTAL (add a through k)</b>                 | <b>\$10,062,992</b> | <b>\$2,023,200</b>    | <b>\$8,039,792</b>   | <b>\$10,027,002</b>                                                    | <b>\$2,023,200</b> | <b>\$8,003,802</b> | <b>\$10,062,992</b>                                                             | <b>\$2,023,200</b> | <b>\$8,039,792</b> |
| m. Contingencies                                     | \$0                 | \$0                   | \$0                  | \$0                                                                    | \$0                | \$0                | \$0                                                                             | \$0                | \$0                |
| <b>n. TOTALS (sum of l and m)</b>                    | <b>\$10,062,992</b> | <b>\$2,023,200</b>    | <b>\$8,039,792</b>   | <b>\$10,027,002</b>                                                    | <b>\$2,023,200</b> | <b>\$8,003,802</b> | <b>\$10,062,992</b>                                                             | <b>\$2,023,200</b> | <b>\$8,039,792</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 |
|-------------------------------------------|--------------------------------|