

QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information

1. Federal Agency and Organizational Element to Which Report is Submitted Department of Commerce, National Telecommunications and Information Administration	2. Award Identification Number NT10BIX5570055	3. DUNS Number 800021990
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4. Recipient Organization

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

5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2011	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 Monroe Keedo	7c. Telephone (area code, number and extension) 9287296282
	7d. Email Address monroek@ntua.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-19-2011
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Project Indicators (This Quarter)			
<p>1. Please describe significant project accomplishments completed during this quarter (600 words or less).</p> <p>The most significant project accomplishment for this quarter is the start of the fiber optic construction and the start of construction of towers. Other major accomplishments include the formal signing of the sub-recipient agreement, finalizing a materials management plan for the fiber optic construction, and completing the Joint Venture agreements between NTUA and Commnet Newco.</p>			
<p>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).</p>			
	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2a.	Overall Project	8	Reasons for the variance include the following: 1. Delays in make ready. To expedite the make ready work, NTUA will add crews from within NTUA or from contractors. 2. Additional RUS requirements for OPGW construction. To expedite the RUS approval, NTUA has worked with the RUS to complete the first span and created a model for subsequent spans. 3. Delays in obtaining state road crossing permits. To avoid work stoppage and further delays, the NTUA has instructed the contractor to continue with the build out and dead-end the fibers in areas where they have not obtained the permits. 4. Delays in obtaining all materials for fiber optic build out. To expedite the process, NTUA has instructed the vendors to deliver all hardware and cable in a lump sum rather than a phased approach.
2b.	Environmental Assessment	90	The Environmental Assessment was 100% completed and approved however, due to changes in design of the tower locations and fiber optic segments, additional addendums to the EA will have to be submitted for approval.
2c.	Network Design	95	The Network Design was fully completed however changes to the original route require further modifications to the original design.
2d.	Rights of Way	50	Right of Way was acquired for the Navajo Nation Trust Lands however extensive right of way is required for the existing Indian Allotments. A total of 15 Allotments exist. To expedite the easement process, NTUA has hired a consultant to approach the land owners directly for consent. Furthermore, if consent can not be acquired in a reasonable and timely manner, NTUA is creating a contingency plan to address the problem including the potential for route changes. If route changes are required, NTUA will follow the requisite steps required by the NTIA.
2e.	Construction Permits and Other Approvals	50	Reasons for the variance include obtaining the state road crossing permits. On the New Mexico side, eight permits are remaining. NTUA has submitted all permit applications and are awaiting approval. NTUA anticipates receiving NM permits by June 18, 2011. On the Arizona side, to expedite the process, NTUA has hired T&D Surveyors to finish the profiles. Approval by the Arizona Department of Transportation is projected to occur within 4 weeks after their receipt of the profiles and application.
2f.	Site Preparation	25	No Variance
2g.	Equipment Procurement	75	No Variance

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2h.	Network Build (all components - owned, leased, IRU, etc)	8	Reasons for the variance include the following: 1. Delays in make ready. To expedite the make ready work, NTUA will add crews from within NTUA or from contractors. 2. Additional RUS requirements for OPGW construction. To expedite the RUS approval, NTUA has worked with the RUS to complete the first span and created a model for subsequent spans. 3. Delays in obtaining state road crossing permits. To avoid work stoppage and further delays, the NTUA has instructed the contractor to continue with the build out and dead-end the fibers in areas where they have not obtained the permits. 4. Delays in obtaining all materials for fiber optic build out. To expedite the process, NTUA has instructed the vendors to deliver all hardware and cable in a lump sum rather than a phased approach.
2i.	Equipment Deployment	0	Variance is due to the following 1. The LTE RFP process. NTUA is scheduled to present to their board of directors the selected LTE vendor at the board meeting in May 2011. 2. Delay in tower build out required to deploy LTE and microwave equipment. NTUA intends to increase staffing for the construction of the tower build out. 3. Delay in electronics deployment required to light the fibers and back-haul the signal to tower locations. NTUA intends to increase staffing for the deployment of the electronics.
2j.	Network Testing	0	The variance in network testing is due to a delay in overall construction. Although the installed network has not been tested, the fiber optic cables required for the network have been tested prior to delivery and the NTUA tested the loose tube cable after delivery. The OPGW will be tested prior to and after installation by the contractor. A final test will be conducted by the electronics vendor after installation of electronics.
2k.	Other (please specify):	0	No Variance

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).

Major Challenges include the following:

1. Obtaining EA amendments for revised tower sites.
2. Obtaining the remainder of the road permits for the fiber optic construction.
3. The weather; the windy season began in the proposed area as fiber optic and tower construction was commencing.

Furthermore, NTUA has identified that prior SF425s need amending and we are working with the NTIA to accomplish the changes; however NTUA does not anticipate amending previous Performance Progress Reports.

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	30	Reasons for the variance in the number of network miles deployed are as follows: The formal acceptance of the EA created a three month delay in the entire project. The delay trickled down to all aspects of the project from the RFP process to ordering materials to construction. NUTA plans on mitigating the delay by adding additional crews and sub-contractors.
New network miles leased	0	NTUA anticipated leasing 200 miles of fiber optic outside plant by the end of the quarter. The reason for the variance is the IRU agreement has not been finalized. A draft agreement is

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
		currently in circulation and NTUA anticipates signing the agreement prior to the start of the next quarter.
Existing network miles upgraded	0	No Variance
Existing network miles leased	0	No Variance
Number of miles of new fiber (aerial or underground)	30	Reasons for the variance include the following: 1. Delays in make ready. To expedite the make ready work, NTUA will add crews from within NTUA or from contractors. 2. Additional RUS requirements for OPGW construction. To expedite the RUS approval, NTUA has worked with the RUS to complete the first span and created a model for subsequent spans. 3. Delays in obtaining state road crossing permits. To avoid work stoppage and further delays, the NTUA has instructed the contractor to continue with the build out and dead-end the fibers in areas where they have not obtained the permits. 4. Delays in obtaining all materials for fiber optic build out. To expedite the process, NTUA has instructed the vendors to deliver all hardware and cable in a lump sum rather than a phased approach.
Number of new wireless links	0	Variance due to protracted procurement process, including vendor responses, evaluations, and site visits. NTUA will select a vendor to be approved by the NTUA Board during its May board meeting.
Number of new towers	2	Reasons for the variance in the number of towers built or under construction: 1. Delay caused by obtaining the EA. NTUA will continue to expedite tower construction based on the sites within the approved FONSI parameters, and will also seek an amendment to the EA due to actions of the local community and changes in technology that require significant relocation of at least two tower sites. 2. Weather - NTUA will continue to expedite tower construction and equipment installation during the current and next two seasons to maximize the potential for optimal weather for tower installation.
Number of new and/or upgraded interconnection points	0	NTUA anticipated having 1 interconnection point by the end of the quarter. NTUA is in the final stages of negotiating an interconnection agreement with a third party that should be completed in the current quarter.

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	6
Average term of signed agreements (in quarters)	0

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:

Commnet Newco

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:

N/A

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).

The last mile portion of the grant will be operated by NTUA Wireless (Sub-recipient).

Name: NTUA Wireless LLC
 CO: Walter Haase
 Address: NTUA Wireless LLC
 c/o NTUA
 Highway 12 North
 Fort Defiance, AZ 86504

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	NTUA anticipated one signed agreement and NTUA is in the final stages of negotiating the agreement with a third party, which should be completed in the current quarter.
	Providers with signed agreements receiving improved access	0	No Variance
	Providers with signed agreements receiving access to dark fiber	0	No Variance
	Please identify the speed tiers that are available and the number of subscribers for each	0	No Variance
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	The variance is due to the network is not available to provide services at this time. NTUA anticipates being able to secure subscribers before the end of the calendar year.
	Subscribers receiving new access	0	The variance is due to the network is not available to provide services at this time. NTUA anticipates being able to secure subscribers before the end of the calendar year.
	Subscribers receiving improved access	0	No Variance
	Please identify the speed tiers that are available and the number or subscribers for each	0	No speed tiers available at this time.
Residential / Households	Entities passed	0	The variance is due to the unavailability of the network to provide services at this time. NTUA anticipates being able to catch up on the entities passed before the end of the calendar year.
	Total subscribers served	0	The variance is due to the unavailability of the network to provide services at this time. NTUA anticipates being able to catch up on the total subscribers served before the end of the calendar year.
	Subscribers receiving new access	0	The variance is due to the unavailability of the network to provide services at this time. NTUA anticipates being able to catch up on the subscribers receiving new access before the end of the calendar year.
	Subscribers receiving improved access	0	The variance is due to the unavailability of the network to provide services at this time. NTUA anticipates being able to catch up on the subscribers receiving improved access before the end of the calendar year.
	Please identify the speed tiers that are available and the number of subscribers for each	0	No speed tiers available at this time.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Businesses	Entities passed	0	The variance is due to the unavailability of the network to provide services at this time. NTUA anticipates being able to catch up on the entities passed before the end of the calendar year.
	Total subscribers served	0	The variance is due to the unavailability of the network to provide services at this time. NTUA anticipates being able to catch up on the total subscribers served before the end of the calendar year.
	Subscribers receiving new access	0	The variance is due to the unavailability of the network to provide services at this time. NTUA anticipates being able to catch up on the subscribers receiving new access before the end of the calendar year.
	Subscribers receiving improved access	0	The variance is due to the unavailability of the network to provide services at this time. NTUA anticipates being able to catch up on the subscribers receiving improved access before the end of the calendar year.
	Please identify the speed tiers that are available and the number of subscribers for each	0	No speed tiers available at this time.

7. Please describe any special offerings you may provide (600 words or less).
N/A

8a. Have your network management practices changed over the last quarter? Yes No

8b. If so, please describe the changes (300 words or less).
N/A

9. Community Anchor Institutions:
Using the table below, please provide a list by service area of the community anchor institutions (including Government institutions) connected to your network as a result of BTOP funds. Figures should be reported for the most recent reporting quarter only (NOT cumulatively). Also indicate whether your organization is currently providing broadband service to the anchor institution. Finally, provide a short narrative description with examples of how institutions are using BTOP-funded infrastructure (300 words or less).

Institution Name	Service Area (town or county)	Type of Anchor Institution (as defined in your baseline)	Are you also the broadband service provider for this institution? (Yes / No)	Narrative description of how anchor institutions are using BTOP-funded infrastructure
N/A	N/A	N/A	N/A	N/A

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
Significant project accomplishments planned for completion during the next quarter are as follows:
Submit any/all changes in fiber route and tower change requests to the NTIA for approval, finish fiber optic construction between several key communities within NM and AZ, finish construction on numerous additional towers, begin construction on Electronics Shelter locations including pouring foundations and selecting vendor for fencing around Shelters and finalize selection of vendor for last mile components including 4G LTE selection.

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)

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	Overall Project	18	Reasons for the variance include the following: 1. Delays in make ready. To expedite the make ready work, NTUA will add crews from within NTUA or from contractors. 2. Additional RUS requirements for OPGW construction. To expedite the RUS approval, NTUA has worked with the RUS to complete the first span and created a model for subsequent spans. 3. Delays in obtaining state road crossing permits. To avoid work stoppage and further delays, the NTUA has instructed the contractor to continue with the build out and dead-end the fibers in areas where they have not obtained the permits. 4. Delays in obtaining all materials for fiber optic build out. To expedite the process, NTUA has instructed the vendors to deliver all hardware and cable in a lump sum rather than a phased approach.
2b.	Environmental Assessment	95	Variance is due to changes in the fiber optic route or tower locations which may require an additional environmental assessment
2c.	Network Design	100	No Variance
2d.	Rights of Way	75	Variance is due to the potential route changes that may require additional ROW assessment.
2e.	Construction Permits and Other Approvals	75	NTUA anticipated 100% completion of permits & approvals however variance will occur due to the delay in obtaining road crossing permits and Indian Allotment issues. In order to remedy the issues, NTUA has hired T&D Surveyors to expedite the road crossing permits and NTUA has hired a consultant to approach the land owners directly for Indian Allotment consent.
2f.	Site Preparation	50	No Variance
2g.	Equipment Procurement	100	No Variance
2h.	Network Build (all components - owned, leased, IRU, etc.)	18	Reasons for the variance include the following: 1. Delays in make ready. To expedite the make ready work, NTUA will add crews from within NTUA or from contractors. 2. Additional RUS requirements for OPGW construction. To expedite the RUS approval, NTUA has worked with the RUS to complete the first span and created a model for subsequent spans. 3. Delays in obtaining state road crossing permits. To avoid work stoppage and further delays, the NTUA has instructed the contractor to continue with the build out and dead-end the fibers in areas where they have not obtained the permits. 4. Delays in obtaining all materials for fiber optic build out. To expedite the process, NTUA has instructed the vendors to deliver all hardware and cable in a lump sum rather than a phased approach.
2i.	Equipment Deployment	10	Variance is due to previous delays in RFP process & finalizing service line agreements.
2j.	Network Testing	10	Variance is due to the previous construction and service line delays.
2k.	Other (please specify):	0	No Variance
<p>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).</p> <p>Major Challenges include the following:</p> <ol style="list-style-type: none"> 1. Having any EA amendments for revised tower or fiber sites expedited for completion. Any assistance from the BTOP program would be greatly appreciated. 2. Obtaining the remainder of the road permits and resolving the Indian Allotments Issue for the fiber optic construction. To expedite the process, NTUA has hired consultants to resolve the Indian Allotment issue and NTUA has hired T&D Surveyors to expedite the road crossing permits. 			

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	\$0	\$100,000	\$100,000	\$0	\$100,000	\$100,000	\$0	\$100,000
b. Land, structures, right-of-ways, appraisals, etc.	\$890,000	\$250,000	\$640,000	\$948,448	\$284,534	\$663,914	\$1,018,133	\$288,440	\$729,694
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$1,996,658	\$800,000	\$1,196,658	\$642,010	\$192,603	\$449,407	\$892,010	\$267,603	\$624,407
e. Other architectural and engineering fees	\$9,600	\$0	\$9,600	\$0	\$0	\$0	\$4,500	\$0	\$4,500
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$3,529,823	\$0	\$3,529,823	\$155,764	\$46,729	\$109,035	\$354,853	\$46,729	\$308,124
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$36,736,021	\$12,171,577	\$24,564,444	\$1,202,437	\$362,360	\$840,077	\$2,267,437	\$681,860	\$1,585,577
j. Equipment	\$2,253,000	\$490,958	\$1,762,042	\$461,458	\$138,437	\$323,021	\$611,458	\$183,437	\$428,021
k. Miscellaneous	\$387,500	\$0	\$387,500	\$5,427	\$0	\$5,427	\$12,927	\$0	\$12,927
l. SUBTOTAL (add a through k)	\$45,902,602	\$13,712,535	\$32,190,067	\$3,515,544	\$1,024,663	\$2,490,881	\$5,261,318	\$1,468,069	\$3,793,250
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	\$3,515,544	\$1,024,663	\$2,490,881	\$5,261,318	\$1,468,069	\$3,793,250

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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