

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) 09-30-2011	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): 11-17-2011
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Project Indicators (This Quarter)

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

Increase Capacity of Interisland Microwave System: Completed Installation of all Radio Equipment and Antennae on the four islands. Completed installation of DC Power Systems at the four sites. Commissioned and turned up radios. Aligned all antennas.

29 Hops - 3G Back Haul Project: Received Federal Communications Commission Licenses for all links. Completed Installation of Radio equipment, antennas, and ancillary equipment for 27 links. Commissioned, tested and cut over all 27 links.

Prepaid Charging System: Weekly project meetings on-going. Worked on network interface documentation. Installed racks and hardware.

Billing System Project: Issued Request For Proposal in September. Received four proposals on the deadline of 9/30/2011.

Enhanced IP Core Network (MPLS) and NOC Project: Completed the 1% remaining of the cut over work to the new system.

Community Outreach: Continue with Outreach Campaign. Setting up meetings with various community anchor institutions.

- Donated DSL service to the San Antonio Manhoben Youth Center in San Antonio, Saipan.
- Donated DSL service to the Tinian Youth Center in San Jose, Tinian.
- Donated DSL service to the Tanapag Youth Center in Tanapag, Saipan.

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	68	The 68% is based upon actual expenditures. Construction is further ahead with the Interisland Microwave Upgrade and the 29 Hops Project completed this reporting period. IT&E does not pay invoices until they are received, normally after the work has been accomplished. This creates a lag in reporting project completion. There are only two subprojects remaining under this Grant Award.
2b.	Environmental Assessment	0	IT&E received a categorical exclusion.
2c.	Network Design	85	Postpaid Billing Project will be awarded next quarter.
2d.	Rights of Way	0	No work will be done in the Rights of Way.
2e.	Construction Permits and Other Approvals	100	All FCC licenses have been received that were applied for.
2f.	Site Preparation	70	Racks and servers were installed for Prepaid Billing Project.
2g.	Equipment Procurement	94	Postpaid Billing Project will be awarded next quarter.
2h.	Network Build (all components - owned, leased, IRU, etc)	70	Postpaid Billing Project will be awarded next quarter.
2i.	Equipment Deployment	90	Postpaid Billing Project will be awarded next quarter.
2j.	Network Testing	70	29 Hops and Interisland Microwave Projects were completed.
2k.	Other (please specify):	50	Training and Inter-island travel due to project implementation.

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).

IT&E Match proportionality: Our approved budget specifies per line item the matching costs and federal shares. Most of the equipment was covered by federal funds so we did not have a matching share for those expenditures as well as other line items. Most of our projected matching share was from labor costs, and these we always expected to accrue in the latter part of the projects after the equipment had been ordered and received.

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	157	New network miles deployed (microwave) from the 17 Hops and 29 Hops Project.
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.
Existing network miles leased	0	n/a
Number of miles of new fiber (aerial or underground)	0	n/a
Number of new wireless links	11	Customers connected.
Number of new towers	0	n/a
Number of new and/or upgraded interconnection points	73	Interconnection points due to the completion of all or portions of the Fiber Optic, Inter-island Microwave, 17 Hops and 29 Hops projects.

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)

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	none
	Providers with signed agreements receiving improved access	1	only 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 10 Mbps.
Community Anchor Institutions (including Government institutions)	Total subscribers served	82	CAIs include Government, Education, Healthcare, Community Support, and Public Safety.
	Subscribers receiving new access	15	CAIs with new access.
	Subscribers receiving improved access	67	CAIs with improved access.
	Please identify the speed tiers that are available and the number of subscribers for each	3	3 Mbps - 56 subscribers, 1.5 Mbps to 2.5 Mbps - 11 subscribers and 768 kbps - 15 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
Sinapalo Youth Center	Rota	Community Support	Y	Providing broadband to Youth during after school hours and weekends.
Mayor's Office - Tinian Youth Center	Tinian	Community Support	Y	Providing broadband to Youth during after school hours and weekends.
San Antonio Manhoben Center	Saipan	Community Support	Y	Providing broadband to Youth during after school hours and weekends.
Tanapag Youth Center	Saipan	Community Support	Y	Providing broadband to Youth during after school hours and weekends.
Garapan Community Development Center	Saipan	Community Support	Y	Providing broadband to Youth during after school hours and weekends.
Rota Public Library	Saipan	Library	Y	Providing broadband service to Library.
NMC Student Support Center	Saipan	Community College	Y	Providing broadband service to community college.
Division of Fish and Wildlife	Saipan	Government Entity	Y	Providing broadband service to Government Agency.
Healthline	Saipan	Healthcare	Y	Providing broadband service to Healthcare.
Youth with a Mission	Saipan	Community Support	Y	Providing broadband service to community support group.
Marianas Eye Institute	Saipan	Healthcare	Y	Providing broadband service to Healthcare.
DanDan Elementary School - PSS	Saipan	Educational Institution	Y	Providing broadband service to Elementary School.
PSS Federal Programs	Saipan	Educational Institution	Y	Providing broadband to Public School System Main Office.
Women's Infants Children Program	Saipan	Healthcare	Y	Providing broadband service to Healthcare.
Mayor's Office Rota - Park	Saipan	Government Entity	Y	Providing broadband service to Government Entity.
DPHSS (ADMIN)	Mangilao, Guam	Healthcare	Y	Providing improved broadband service to Healthcare.
DPHSS (ADMIN - 2)	Mangilao, Guam	Healthcare	Y	Providing improved broadband service to Healthcare. Additional line/account.
University of Guam (UOG): COMPUTER CENTER	Guam	Educational Institution	Y	Providing improved broadband service to educational institution.
GUAM COMMUNITY COLLEGE	Guam	Educational Institution	Y	Providing improved broadband service to educational institution.
GUAM COMMUNITY COLLEGE - 2	Guam	Educational Institution	Y	Providing improved broadband service to educational institution. Additional line/account.
GUAM COMMUNITY COLLEGE - 3	Guam	Educational Institution	Y	Providing improved broadband service to educational institution. Additional line/account.
GCC: ASSMNT & COUNSELING	Guam	Educational Institution	Y	Providing improved broadband service to educational institution.
UOG: CEDDARS	Guam	Educational Institution	Y	Providing improved broadband service to educational institution. Additional line/account.
GPSS	Guam	Educational Institution	Y	Providing improved broadband service to educational institution. Additional line/account.

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
GPSS - 2	Guam	Educational Institution	Y	Providing improved broadband service to educational institution. Additional line/account.
GPSS/JROTC	Guam	Educational Institution	Y	Providing improved broadband service to educational institution. Additional line/account.
UOG STUDENT COUNSELLING	Guam	Educational Institution	Y	Providing improved broadband service to educational institution.
JROTC (Simon Sanchez High School)	Guam	Educational Institution	Y	Providing improved broadband service to educational institution. Additional line/account.
JROTC (GWHS)	Guam	Educational Institution	Y	Providing improved broadband service to educational institution. Additional line/account.
UOG/ MLI	Guam	Educational Institution	Y	Providing improved broadband service to educational institution. Additional line/account.
UOG: COMPUTER CENTER	Guam	Educational Institution	Y	Providing improved broadband service to educational institution.
GCC: ASSMNT & COUNSELING	Guam	Educational Institution	Y	Providing improved broadband service to educational institution.
SBDC UOG PACIFIC ISLANDS	Guam	Educational Institution	Y	Providing improved broadband service to educational institution. Additional line/account.
AUTHORITY GUAM WATERWORKS AUTHORITY	Guam	Government Institution	Y	Providing improved broadband service to government institution.

JROTC (SOUTHERN High School)	Guam	Educational Institution	Y	Providing improved broadband service to educational institution.
JUDITH LEGISLATURE SEN. GUTHERTZ	Guam	Government Institution	Y	Providing improved broadband service to government institution. Additional line/account.
RORY LEGISLATURE SEN RESPICIO	Guam	Government Institution	Y	Providing improved broadband service to government institution. Additional line/account.
GHURA	Guam	Government Institution	Y	Providing improved broadband service to government institution. Additional line/account.
Department of Corrections - CNMI	SAIPAN	GOVERNMENT INSTITUTION	Y	Providing improved broadband service to government institution.
Mount Carmel School	Saipan	Educational Institution	Y	Providing improved broadband service to educational institution.
US Department of Interior	Saipan	Government Institution	Y	Providing improved broadband service to government institution.
Department of Public Safety	Saipan	PUBLIC SAFETY	Y	Providing improved broadband service to public safety.
Drug Enforcement Administration	Saipan	PUBLIC SAFETY	Y	Providing improved broadband service to public safety.
Dept of Public Safety - MTCU CNMI	Saipan	Public Safety	Y	Providing improved broadband service to public safety. Additional line/account.
Seventh Day Adventist Elementary School	Saipan	Educational Institution	Y	Providing improved broadband service to educational institution. Additional line/account.

US House of Representative / Gregorio Kilili Sablan	SAIPAN	Government Institution	Y	Providing improved broadband service to government institution. Additional line/account.
Division of Public Health / Immunization Program	SAIPAN	Healthcare	Y	Providing improved broadband service to healthcare. Additional line/account.
PSS Office	SAIPAN	Educational Institution	Y	Providing improved broadband service to educational institution. Additional line/account.

Project Indicators (Next Quarter)

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

Increase Capacity of Interisland Microwave System: Complete Punch list items. Project Close out with contractor.

29 Hops - 3G Back Haul Project: Project Close out with Contractor.

Prepaid Charging System: Continue with weekly project meetings on-going. Engineers will be on-site to do work with IT&E.

Billing System Project: Evaluate the four proposals. Conduct contract negotiations with top proposer based on the technical and cost evaluations. Award contract.

No network miles is expected to be leased. Total Community Anchor Institutions to be served is 160.

Community Outreach: Continue with Outreach Campaign. Meet with various Community Anchor Institutions (schools, public safety) to discuss broadband requirements in Guam and the CNMI.

-Donate DSL service to the Kagman Community Center in Kagman, Saipan.

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	99	Award of Postpaid Billing Project will be made. Testing of Prepaid Billing Project will begin late this quarter. These are the two remaining subprojects under this grant.
2b.	Environmental Assessment	0	IT&E received a categorical exclusion.
2c.	Network Design	98	Kick off of Postpaid Billing Project.
2d.	Rights of Way	0	No work will be done in the Rights of Way.
2e.	Construction Permits and Other Approvals	100	FCC Licenses received.
2f.	Site Preparation	100	Postpaid Billing Project will commence.
2g.	Equipment Procurement	100	All equipment procurement is expected to be initiated.
2h.	Network Build (all components - owned, leased, IRU, etc.)	100	Postpaid Billing Project will commence.
2i.	Equipment Deployment	100	Postpaid Billing Project will commence.
2j.	Network Testing	80	Network Testing will be conducted for the Prepaid Billing Project.
2k.	Other (please specify):	89	Interisland travel due to project implementation of the two remaining 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).

Interface and testing as the last two remaining projects are mainly software projects.

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	\$85,945	\$0	\$85,945	\$464,256	\$0	\$464,256
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	\$473,971	\$264,000	\$209,971	\$691,105	\$264,000	\$427,105
e. Other architectural and engineering fees	\$2,553,604	\$1,328,400	\$1,225,204	\$557,053	\$541,372	\$15,681	\$2,374,852	\$1,234,923	\$1,139,929
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$354,013	\$0	\$354,013	\$67,588	\$13,094	\$54,494	\$329,232	\$13,094	\$316,138
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	\$5,431,528	\$325,293	\$5,106,235	\$5,536,035	\$310,056	\$5,225,979
k. Miscellaneous	\$670,740	\$430,800	\$239,940	\$205,515	\$130,089	\$75,426	\$596,959	\$382,054	\$214,905
l. SUBTOTAL (add a through k)	\$10,062,992	\$2,023,200	\$8,039,792	\$6,821,600	\$1,273,848	\$5,547,752	\$9,992,439	\$2,204,127	\$7,788,312
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$10,062,992	\$2,023,200	\$8,039,792	\$6,821,600	\$1,273,848	\$5,547,752	\$9,992,439	\$2,204,127	\$7,788,312

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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