QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information

1. Federal Agency and Organizational Element to Which Report is Submitted Department of Commerce, National Telecommunications and Information Administration	**2. Award Identification Number** NT10BIX5570053	**3. DUNS Number** 855036690

4. Recipient Organization

PTI Pacifica, Inc., dba: IT&E 122 W. Harmon Industrial Park Road
Suite 103, Tamuning, GU 96913-4164

5. Current Reporting Period End Date (MM/DD/YYYY) 06-30-2012	**6. Is this the last Report of the Award Period?** ○ Yes ◉ 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.

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):** 08-02-2012

Project Indicators (This Quarter)

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

Training was conducted for the Prepaid Billing Project for various departments like Customer Service, Call Center, and Marketing in the company. Testing and conversion of all modules for the system have been completed. Migration of existing customers to the new Prepaid Charging Platform occurred in June. Both IT&E Personnel and Customers are adjusting to the features of the New System. Vendor Support is on-site to assist IT&E with any issues.

Launched a new product offering - 3G Prepaid Data in May. Subscribers are growing steadily. We have 353 subscribers for this quarter.

Project meetings continued for the Postpaid Billing Project. Project Manager was hired to assist with this project. Two Technical Product Managers from the Vendor were on-site to meet with the various departments, Accounting, Marketing, Sales, Customer Service, to discuss the technical flows required for the Finalization of Systems Requirements Specifications (SRS). This is a detailed statement of work, each specific requirement identified.

Upgraded Hardware was delivered to Vendor Site. Configuration of the hardware was started.

Inter-Island travel continues for the prepaid and postpaid billing projects between the islands. IT&E personnel attended the BTOP Workshop in May.

Total CAIs connected this quarter 2Q 2012: 339 (81 CAIs added this quarter).

No new network miles added this quarter.

Community Outreach: In the CNMI, Community Outreach Coordinator met with several Parent Teacher Associations (PTAs) prior to the public schools closing for summer vacation.   Meetings have been conducted with the Department of Community and Cultural Affairs. This office provides assistance to many of the low income residents, through various agencies under its umbrella, like the Nutrition Assistance Program, Child Care Program, Energy Assistance Program, and the Senior Citizens Center to name a few. IT&E's Outreach Coordinator is working on assisting this government agency with their website and broadband needs. Also, to partner with the agency to reach out to the residents.

On Guam, the Outreach Coordinator and team are working with various CAIs to discuss their broadband requirements. Demo Units have been provided to some agencies.

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**	93	The 93% is based upon actual expenditures. The Postpaid Billing Project continues. 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.
2b.	**Environmental Assessment**	0	IT&E received a categorical exclusion.
2c.	**Network Design**	99	Work on Postpaid Systems Requirement Specifications (SRS) took longer than expected and extended past the end of the 1st quarter.
2d.	**Rights of Way**	0	No work will be done in the ROW.
2e.	**Construction Permits and Other Approvals**	100	FCC licenses applied for have been received.
2f.	**Site Preparation**	100	All site work has been completed.
2g.	**Equipment Procurement**	100	All equipment have been procured.
2h.	**Network Build (all components - owned, leased, IRU, etc)**	90	Hardware Configuration was completed. Software Development and Customization started for the Postpaid Billing Project.
2i.	**Equipment Deployment**	97	Configuration for Hardware for Postpaid Billing Project started; deliver of hardware was delayed by Manufacturer.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2j.	Network Testing	87	Migration of existing prepaid customers completed this quarter. Working on minor issues.
2k.	Other (please specify):	85	Training (on-site support) continues for the Prepaid Billing Project. Travel for Prepaid and Postpaid Billing Projects between the islands.

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).

Shipping Delays. Minor issues after the migration of all existing customers to the new prepaid charging platform.

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	Microwave Network Miles Deployed. No New miles 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
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 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 10 Mbps.
Community Anchor Institutions (including Government institutions)	**Total subscribers served**	339	81 subscribers added this quarter.
	Subscribers receiving new access	78	27 subscribers receiving new access this quarter.
	Subscribers receiving improved access	261	54 subscribers receiving improved access this quarter.
	Please identify the speed tiers that are available and the number or subscribers for each	4	3Mbps up to 6Mbps - 15 subscribers, 2.5 Mbps up to 3 Mbps - 58 subscribers, 1.5 Mbps up to 2.5 Mbps - 69 subscribers and 768 kbps up to 1.5 Mbps - 197 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).

Introduced 3G Prepaid Data Plans to subscribers.

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
Aircraft Rescue Fire Fighting (ARFF) - Rota	Rota	Public Safety	Y	Providing improved access.
Aircraft Rescue Fire Fighting (ARFF) - Saipan	Saipan	Public Safety	Y	Providing improved access.
Aircraft Rescue Fire Fighting (ARFF) - Tinian	Tinian	Public Safety	Y	Providing improved access.
Bureau of Motor Vehicles	Saipan	Government Institution	Y	Providing improved access.
CNMI Museum of History and Culture	Saipan	Other Community Support	Y	Providing new access.
Coastal Resources Management - Rota	Rota	Government Institution	Y	Providing improved access.
Coastal Resources Management - Tinian	Tinian	Government Institution	Y	Providing improved access.
Commonwealth Development Authority	Saipan	Government Institution	Y	Providing improved access.
Commonwealth Ports Authority - Rota	Rota	Government Institution	Y	Providing improved access.
Commonwealth Ports Authority - Tinian	Tinian	Government Institution	Y	Providing improved access.
Commonwealth Supreme Court	Saipan	Government Institution	Y	Providing improved access.
Cooperative Research Extension and Education Services (CREES) - Rota	Rota	Educational Institution	Y	Providing improved access.
Cooperative Research Extension and Education Services (CREES) - Tinian	Tinian	Educational Institution	Y	Providing improved access.
Criminal Investigation Bureau	Saipan	Public Safety	Y	Providing improved access.
Department of Commerce - Rota	Rota	Government Institution	Y	Providing new access.

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
Department of Community and Cultural Affairs	Saipan	Government Institution	Y	Providing new access.
Department of Finance - Rota	Rota	Government Institution	Y	Providing improved access.
Department of Finance - Tinian	Tinian	Government Institution	Y	Providing improved access.
Department of Public Lands - Saipan	Saipan	Government Institution	Y	Providing improved access.
Department of Public Lands - Tinian	Tinian	Government Institution	Y	Providing improved access.
Department of Public Safety - Rota	Rota	Public Safety	Y	Providing improved access.
Department of Public Safety - Tinian	Tinian	Public Safety	Y	Providing improved access.
Department of Public Works - Rota	Rota	Government Institution	Y	Providing improved access.
Department of Public Works - Tinian	Tinian	Government Institution	Y	Providing improved access.
Diagnostic Laboratory Services	Saipan	Healthcare	Y	Providing new access.
Division of Environmental Quality - Rota	Rota	Government Institution	Y	Providing improved access.
Eucon International School	Saipan	Educational Institution	Y	Providing improved access.
Francisco B. Ada International Airport (Saipan International Airport)	Saipan	Government Institution	Y	Providing improved access.
Garapan Elementary School	Saipan	Educational Institution	Y	Providing new access.
GDOE Federal Programs Division	Guam	Educational Institution	Y	Providing new access.
Grace Christian Academy - Rota	Rota	Educational Institution	Y	Providing new access.
Grace Christian Academy - Tinian	Tinian	Educational Institution	Y	Providing new access.
Green Meadow School Chalan Kiya	Saipan	Educational Institution	Y	Providing new access.
Gregorio T. Camacho Elementary School	Saipan	Educational Institution	Y	Providing new access.
Hopwood Jr. High School	Saipan	Educational Institution	Y	Providing new access.
Kagman Elementary School	Saipan	Educational Institution	Y	Providing new access.
Marianas Baptist Academy	Saipan	Educational Institution	Y	Providing new access.
Marianas Visitors Authority - Rota	Rota	Government Institution	Y	Providing improved access.
Marianas Visitors Authority - Tinian	Tinian	Government Institution	Y	Providing improved access.

New Wave Dental Clinic	Saipan	Healthcare	Y	Providing new access.
NMC Upward Bound Program	Saipan	Educational Institution	Y	Providing improved access.
Northern Marianas College - Rota Campus	Rota	Community College	Y	Providing improved access.
Northern Marianas College - Tinian Campus	Tinian	Community College	Y	Providing improved access.
Northern Marianas Housing Corporation (formerly MIHA) - Rota	Rota	Public Housing	Y	Providing improved access.
Northern Marianas Housing Corporation (formerly MIHA) - Saipan	Saipan	Public Housing	Y	Providing improved access.
Northern Marianas Housing Corporation (formerly MIHA) - Tinian	Tinian	Public Housing	Y	Providing improved access.
Occupational Health Safety Administration	Saipan	Government Institution	Y	Providing improved access.
Northern Marianas Protection and Advocacy Systems, Inc.	Saipan	Community Support	Y	Providing new access.
Office of Personnel Management	Saipan	Government Institution	Y	Providing new access.
Office of the Public Defender	Saipan	Government Institution	Y	Providing improved access.
Oleai Elementary School	Saipan	Educational Institution	Y	Providing new access.
Oleai Head Start	Saipan	Community Support	Y	Providing new access.
Port of Saipan (Puerto Rico)	Saipan	Government Institution	Y	Providing improved access.
Rota International Airport	Rota	Government Institution	Y	Providing improved access.
Rota Jr. High School	Rota	Educational Institution	Y	Providing new access.
San Antonio Catholic Church	Saipan	Community Support	Y	Providing improved access.
San Antonio Elementary School	Saipan	Educational Institution	Y	Providing new access.
San Vicente Elementary School	Saipan	Educational Institution	Y	Providing new access.
Santa Soledad Catholic Church	Saipan	Community Support	Y	Providing improved access.
Seventh Day Adventist Child Development Center	Saipan	Community Support	Y	Providing improved access.
Seventh Day Adventist Church	Saipan	Community Support	Y	Providing improved access.
Seventh Day Adventist Clinic Chalan Laolao	Saipan	Healthcare	Y	Providing improved access.
Seventh Day Adventist Clinic Kagman	Saipan	Healthcare	Y	Providing new access.
Sinapalo Elementary School	Rota	Educational Institution	Y	Providing new access.

Tanapag Elementary School	**Saipan**	**Educational Institution**	**Y**	**Providing new access.**
Tinian Elementary School	**Tinian**	**Educational Institution**	**Y**	**Providing new access.**
Tinian International Airport	**Tinian**	**Government Institution**	**Y**	**Providing improved access.**
Tinian Public Library	**Tinian**	**Public Library**	**Y**	**Providing new access.**
U.S. House of Representative Office - Rep. Gregorio Kilili Sablan - Rota	**Rota**	**Government Institution**	**Y**	**Providing improved access.**
U.S. House of Representative Office - Rep. Gregorio Kilili Sablan - Tinian	**Tinian**	**Government Institution**	**Y**	**Providing improved access.**
U.S. Postal Service Capitol Hill Rural Branch	**Saipan**	**Government Institution**	**Y**	**Providing improved access.**
U.S. Postal Service Rota	**Rota**	**Government Institution**	**Y**	**Providing improved access.**
U.S. Postal Service Tinian	**Tinian**	**Government Institution**	**Y**	**Providing improved access.**
U. S. Social Security Administration (Saipan)	**Saipan**	**Government Institution**	**Y**	**Providing improved access.**
U.S. Transportation Security Administration	**Saipan**	**Public Safety**	**Y**	**Providing improved access.**
U.S. Transportation Security Administration - Saipan Airport Office	**Saipan**	**Public Safety**	**Y**	**Providing improved access.**
U.S. Transportation Security Administration - Rota Airport	**Rota**	**Public Safety**	**Y**	**Providing improved access.**
William S. Reyes Elementary School	**Saipan**	**Educational Institution**	**Y**	**Providing new access.**
Workforce Investment Agency (Rota)	**Rota**	**Government Institution**	**Y**	**Providing improved access.**
Workforce Investment Agency (Tinian)	**Tinian**	**Government Institution**	**Y**	**Providing improved access.**

Project Indicators (Next Quarter)

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

Prepaid Billing System: Vendor Support will be on-site through August to assist IT&E with any issues.

Project meetings will continue for the Postpaid Billing Project. Product Managers will take a specific module from the Systems Requirements Specifications and translate it to customization that relates to IT&E's business processes. A High Level Solution will be developed and shared with IT&E for approval. Method of Procedures (MOP) and Standard Operating Procedures (SOP) will be developed by the IT&E Project Team as the software development commences by the vendor.

Hardware for Postpaid Billing Platform is expected to be on site. Installation will commence in August.

Inter-Island travel will continue for the postpaid billing projects between the islands.

Total CAIs anticipated to be connected next quarter 3Q 2012: 400.

Community Outreach will continue with meeting with various CAIs.

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	98	Postpaid Billing Project will continue.
2b.	Environmental Assessment	0	IT&E received a categorical exclusion.
2c.	Network Design	100	Systems Requirements Specifications will be completed.
2d.	Rights of Way	0	No work will be done in the Rights of Way.
2e.	Construction Permits and Other Approvals	100	FCC licenses applied for have been received.
2f.	Site Preparation	100	All Site Preparation work has been completed.
2g.	Equipment Procurement	100	All Equipment has been procured.
2h.	Network Build (all components - owned, leased, IRU, etc.)	95	Software Development and customization will continue based on the Systems Requirements Specifications (SRS).
2i.	Equipment Deployment	100	Hardware for Postpaid Billing Project will be delivered to IT&E and installed at Data Network Operations Center (NOC).
2j.	Network Testing	90	Postpaid Billing Project software development will continue.
2k.	Other (please specify):	90	Training (on-site support) will end this quarter for the Prepaid Billing Project. Travel for Postpaid Billing Projects between the islands.

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).

Configuration of hardware. Customization of System to meet IT&E requirements.

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.

Cost Classification	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		
	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	$271,658	$143,476	$128,182	$328,973	$154,136	$174,837
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	$1,057,673	$361,568	$696,105	$1,101,332	$405,227	$696,105
e. Other architectural and engineering fees	$2,349,110	$1,262,684	$1,086,426	$1,415,656	$789,402	$626,254	$1,726,807	$947,163	$779,645
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	$6,162,001	$510,602	$5,651,399	$6,286,349	$588,827	$5,697,521
k. Miscellaneous	$328,414	$198,531	$129,883	$246,378	$157,872	$88,506	$273,723	$171,425	$102,298
l. SUBTOTAL (add a through k)	$10,062,992	$2,023,200	$8,039,792	$9,282,755	$2,022,844	$7,259,911	$9,846,573	$2,326,702	$7,519,871
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	$9,282,755	$2,022,844	$7,259,911	$9,846,573	$2,326,702	$7,519,871

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