

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

**General Information**

<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b>  Department of Commerce, National Telecommunications and Information Administration	<b>2. Award Identification Number</b>  NT10BIX5570055	<b>3. DUNS Number</b>  800021990
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------	----------------------------------------

<b>4. Recipient Organization</b>  Navajo Tribal Utility Authority Company Highway 12 N, Fort Defiance, AZ 86504
-----------------------------------------------------------------------------------------------------------------------

<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  06-30-2012	<b>6. Is this the last Report of the Award Period?</b>  <input type="radio"/> Yes <input checked="" 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.

<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Lester Lee	<b>7c. Telephone (area code, number and extension)</b>  X
	<b>7d. Email Address</b>  lesterl@ntua.com

<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  08-06-2012
-----------------------------------------------------------------------------	------------------------------------------------------------------

--

<b>Project Indicators (This Quarter)</b>			
<p><b>1. Please describe significant project accomplishments completed during this quarter (600 words or less).</b></p> <p>Significant Project accomplishments completed during this quarter include the following:</p> <ol style="list-style-type: none"> <li>420 miles of fiber optic construction complete (76%)</li> <li>546 miles of Make Ready complete (99%)</li> <li>26 towers complete (81%)</li> <li>Data Center/Network Operating Center (100%)</li> <li>35 LTE base stations installed (87%)</li> <li>Six Microwave Links installed (12%)</li> </ol>			
<p><b>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).</b></p>			
	<b>Milestone</b>	<b>Percent Complete</b>	<b>Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)</b>
2a.	<b>Overall Project</b>	78	Variance is due to the Indian Allotment Issues and the change in six tower site locations. NTUA has developed a contingency plan for the allotment issues. Regarding the site locations changes for towers, NTUA has submitted an award action request for three of the six towers. NTUA anticipates submitting an AAR for the remaining three towers that requires an environmental assessment (EA) during the next quarter.
2b.	<b>Environmental Assessment</b>	92	Variance in the environmental assessment is due to changes in three of the remaining six towers that require construction. NTUA is in the process of completing the EA and anticipates submitting the finalized EA with the tower award action request. The EA will be completed prior to the end of the next quarter.
2c.	<b>Network Design</b>	100	No Variance
2d.	<b>Rights of Way</b>	90	Variance in obtaining Rights of Ways (ROW) stems from previous delays. NTUA has received all ROWs for the fiber optic backbone however NTUA continues to work with the various agencies including the Navajo Nation, Bureau of Indian Affairs, and the department of transportation to acquire the easement rights for the laterals to the community anchor institutions and tower locations. NTUA anticipates completion of all ROW issues prior to the end of the next quarter.
2e.	<b>Construction Permits and Other Approvals</b>	85	Variance for construction permits is a result of obtaining easements to cross Indian Allotments (IA). In order to energize the system, NTUA is utilizing a temporary solar powered microwave solution to by-pass one of the critical IA. The remaining Indian Allotments for which NTUA requires permission to transverse exist on the last phase of the fiber optic build out. NTUA's government liaison is working with the allottees to resolve the issue. NTUA has also taken the proactive step in developing a contingency plan if negotiations with the allottees fails.
2f.	<b>Site Preparation</b>	92	Variance in site preparation is due to changes in the remaining six tower site locations. Three of the six tower sites have been submitted to NTIA for approval. The remaining three are in the final process of environmental assessment (EA). Once the EA is complete, NTUA will submit the sites for NTIA approval. Once approval is received, NTUA shall commence with the site projects.
2g.	<b>Equipment Procurement</b>	100	No Variance
2h.	<b>Network Build (all components - owned, leased, IRU, etc)</b>	85	Variance in the network build out is due to the following reasons: <ol style="list-style-type: none"> <li>Six remaining tower sites require NTIA approval of which 3 require completion of an EA prior to construction. NTUA anticipates completion of environmental assessment for the three tower sites prior to the end of the next quarter.</li> <li>Delays in obtaining easement rights to cross over Indian Allotments</li> </ol>

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
			caused a deceleration of the fiber optic construction. NTUA has developed a contingency plan to by-pass the Indian Allotments if negotiations fail.
	2i. Equipment Deployment	85	Variance in deploying equipment is related to the following: 1. Initial delay in microwave (MW) contract. NTUA did not finalize the MW contract and is in the process of installing the MW. 2. Delays in finalizing the contract for Last Mile devices. NTUAW has finalized the contract and has received sample devices for testing purposes. The remaining Last Mile devices are currently being manufactured.
	2j. Network Testing	50	Variance in testing is the result of previous delays in fiber optic and tower construction. NTUA anticipates all testing to be completed prior to the end of the fourth quarter.
	2k. Other (please specify):	-	-

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).

Challenges faced during the past quarter in achieving the planned progress are listed below.

1. Delays in obtaining easement rights to transverse Indian Allotments. NTUA has developed a contingency plan to temporarily by-pass the allotments utilizing a solar powered microwave solution.
2. Delays in submitting an award action request regarding tower site changes to NTIA for approval. Three of the six remaining towers have been submitted for approval. NTUA is in the process of finishing the EA for the remaining sites. NTUA anticipates submittal of the award action request for the three remaining towers prior to the end of the next quarter.
3. Weather related issues including rain, muddy conditions, and high winds.

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	420	Variance is due to the lack of easement rights to transverse the Indian Allotments
New network miles leased	163	No Variance
Existing network miles upgraded	0	No Variance
Existing network miles leased	0	No Variance
Number of miles of new fiber (aerial or underground)	420	Variance is due to the lack of easement rights to transverse the Indian Allotments
Number of new wireless links	6	Variance is due to delays in the procurement of the microwave links and remaining tower construction. NTUA has procured all microwave equipment. With respect to the remaining tower construction, NTUA has submitted an AAR for three of the remaining six towers. The remaining towers are in the EA process and NTUA anticipates submittal of an AAR prior to the end of the next quarter
Number of new towers	26	Variance is due to changes in the location for the remaining six towers.
Number of new and/or upgraded interconnection points	0	Variance is due to delays in the physical network build out.

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	5
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	2
Average term of signed agreements (in quarters)	4

**5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:**  
 NTUA Wireless LLC - As the grant sub-recipient, NTUA Wireless will be working on the wireless services.  
 NTUA has signed an agreement to provide the Navajo Nation dark fibers. The agreement will be for the life of the fiber optic plant. NTUA anticipates the fiber optic plant to span 20-30 years without replacement.  
 Cogent Communications - NTUA has an agreement to purchase bandwidth for one year.  
 Cellular One - NTUA has an agreement with Cellular One to lease tower space for one year.  
 Conterra Ultra - NTUA has an agreement with Conterra Ultra to lease tower space for one year.

**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:**  
 NTUA has finalized their Broadband Rate Study to determine wholesale services and associated pricing. The rate study will cover bandwidth pricing for dark fibers, dedicated internet access (DIA), point to point services, and transport services from their Data Center to a point of presence in Albuquerque. To validate the findings of the rate study, NTUA has hired an independent party to develop a financial pro forma and a sustainability plan. NTUA shall submit the pro forma and sustainability plan to the NTUA prior to the end of the following quarter.

**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 third party operates (600 words or less).**  
 Name: NTUA Wireless LLC  
 Type of Entity: Sub-recipient  
 CO: Michael Scully  
 Address: NTUA Wireless LLC  
 P.O. Box 1947  
 Chinle, AZ 86503

**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	Variance is due to delays in construction. NTUA has taken the appropriate measures to expedite construction.
	Providers with signed agreements receiving improved access	0	Variance is due to delays in construction. NTUA has taken the appropriate measures to expedite construction.
	Providers with signed agreements receiving access to dark fiber	0	Variance is due to delays in construction. NTUA has taken the appropriate measures to expedite construction.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Variance is due to delays in construction. NTUA has taken the appropriate measures to expedite construction. NTUA has hired an independent party to review the findings of the Broadband Rate Study and develop a sustainable financial pro forma.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Variance is due to delays in construction. NTUA has taken the appropriate measures to expedite construction.
	Subscribers receiving new access	0	Variance is due to delays in construction. NTUA has taken the appropriate measures to expedite construction.
	Subscribers receiving improved access	0	Variance is due to delays in construction. NTUA has taken the appropriate measures to expedite construction.
	Please identify the speed tiers that are available and the number or subscribers for each	0	Variance is due to delays in construction. NTUA has taken the appropriate measures to expedite construction. NTUA has hired an independent party to review the findings of the Broadband Rate Study and develop a sustainable financial pro forma.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
<b>Residential / Households</b>	<b>Entities passed</b>	0	Variance is due to delays in construction. NTUA has taken the appropriate measures to expedite construction.
	<b>Total subscribers served</b>	0	Variance is due to delays in construction. NTUA has taken the appropriate measures to expedite construction.
	<b>Subscribers receiving new access</b>	0	Variance is due to delays in construction. NTUA has taken the appropriate measures to expedite construction.
	<b>Subscribers receiving improved access</b>	0	Variance is due to delays in construction. NTUA has taken the appropriate measures to expedite construction.
	<b>Please identify the speed tiers that are available and the number of subscribers for each</b>	0	Variance is due to delays in construction. NTUA has taken the appropriate measures to expedite construction.
<b>Businesses</b>	<b>Entities passed</b>	0	Variance is due to delays in construction. NTUA has taken the appropriate measures to expedite construction.
	<b>Total subscribers served</b>	0	Variance is due to delays in construction. NTUA has taken the appropriate measures to expedite construction.
	<b>Subscribers receiving new access</b>	0	Variance is due to delays in construction. NTUA has taken the appropriate measures to expedite construction.
	<b>Subscribers receiving improved access</b>	0	Variance is due to delays in construction. NTUA has taken the appropriate measures to expedite construction.
	<b>Please identify the speed tiers that are available and the number of subscribers for each</b>	0	Variance is due to delays in construction. NTUA has taken the appropriate measures to expedite construction.

**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 slated for completion during the third quarter are listed below:

- All Make Ready shall be complete.
- Construction of 95% of the fiber optic backbone shall be complete for a total of 530 miles. The remaining 20 miles require easement rights to cross the Indian Allotments between Bitahocsee to Dilkon.
- Construction of 80% of the fiber optic laterals to the community anchor institutions (CAI) and towers shall be complete for a total of 16 miles.
- A total of 29 towers shall be constructed equating to 90% completed. Depending on environmental assessment and NTIA approval, the three towers that require EA are slated for completion during the first month of quarter 4.
- Power to all laterals shall be complete including towers and CAIs.
- Installation of all Last Mile 4G LTE base stations shall be complete.
- Inspection of Phase 1,2 and 3 fiber optic outside plant including construction clean up shall be complete and close out packets sent

to the Rural Utility Service (RUS)

8. Inspection of telecommunications regeneration and electronics shelters for phase 1 & 2 shall be complete and close out packets sent to the Rural Utility Service (RUS).

9. Distribution Plan for issuing Last Mile netbooks shall be completed.

10. NTUA is in negotiations with CenturyLink for a backup route to the point of presence. The NTUA anticipates no additional wholesale/LM provider agreements next quarter.

**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	90	Variance might occur due to Indian Allotment Issues and tower construction. NTUA has developed a contingency plan regarding the allotments.
2b.	Environmental Assessment	100	No Variance
2c.	Network Design	100	No Variance
2d.	Rights of Way	100	No Variance
2e.	Construction Permits and Other Approvals	100	No Variance
2f.	Site Preparation	100	No Variance
2g.	Equipment Procurement	100	No Variance
2h.	Network Build (all components - owned, leased, IRU, etc.)	95	Variance might occur due to Indian Allotment Issues and tower construction. NTUA has developed a contingency plan regarding the allotments.
2i.	Equipment Deployment	95	Variance might occur due to Indian Allotment Issues and tower construction. NTUA has developed a contingency plan regarding the allotments.
2j.	Network Testing	90	Variance might occur as a consequence of previous delays in construction.
2k.	Other (please specify):		-

**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).**

Challenges anticipated during the next quarter include the following:

1. Obtaining easement rights for the Indian Allotments.
2. Finishing the environmental assessment in a timely manner and submitting the award action request for the three remaining towers to NTIA.
3. Weather related delays including rain, muddy conditions, and high winds.
4. Approval of the tower award action requests.
5. Submittal of Dilcon to Bitahochee Alternative Microwave Solutions.

