

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) 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 Lester Lee	7c. Telephone (area code, number and extension) X
	7d. Email Address lesterl@ntua.com

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-30-2011
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Project Indicators (This Quarter)

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

Significant project accomplishments for this quarter are listed below.

1. Completion of Network Operating Center
2. Completion of 120 miles of fiber optic build out.
3. Completion of 9 additional towers for a total of 12 built to date.
4. First phase of electronics delivered.
4. Hiring of a Project Manager to supervise tower & microwave construction.
5. Commenced with Request for Proposal (RFP) process to hire contractors to assist with Make Ready.
6. Commenced with Request for Proposal (RFP) process to hire accounts manager for marketing to community anchor institutions.
7. Finalized contract with Cogent for bandwidth purchase.

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	27	Reasons for variance from the baseline are as follows: 1. Delays in the overall project are due to subsequent delays in Make Ready production. To alleviate the delay, NTUA has hired additional contractors to assist. 2. Delays in obtaining Rural Utilities Service (RUS) approvals for transmission line work. NTUA in conjunction with their consultants are working directly with RUS to expedite the approval process. 3. Delays in acquiring Indian Allotments approvals and Rights of Way. NTUA has taken a proactive approach to resolving the Indian Allotment issue including the various alternatives such as route change, gigabit laser, and utilizing existing microwave system as a temporary measure until approval is obtained. 4. Weather Delays
2b.	Environmental Assessment	85	Reasons for the variance in the environmental assessment (EA) are due to changes in the location of towers and additional fiber optic laterals requiring EA.
2c.	Network Design	90	Variance in network design is due to the following: 1. Changes in fiber optic lateral locations 2. Additional fiber optic engineering to account for potential alternative route to by-pass Indian Allotment 3. Change in optical ground wire (OPGW) fiber optic design from overbuild to underbuild for safety reasons
2d.	Rights of Way	60	Variance in obtaining Rights of Way (ROW) is due to changes in Navajo Nation ROW process. To alleviate the problem, NTUA ROW agents / Government liaisons are working directly with the Navajo Nation, Bureau of Indian Affairs (BIA), and the Arizona Department of Transportation to expedite the approval process.
2e.	Construction Permits and Other Approvals	60	Variance in obtaining construction permits is due to delays in the submittal process. NTUA has submitted all permit applications required for New Mexico. Profiles required for Arizona permits are currently being developed. To expedite the process, NTUA hired T&D Contractors to assist in the development of profiles. T&D is currently working on the crucial, time-sensitive profiles and will submit to NTUA on a piecemeal basis for submission to the Arizona department of transportation.
2f.	Site Preparation	75	No Variance
2g.	Equipment Procurement	80	Variance is due to delays in construction. All middle mile equipment has been ordered and NTUA has requested delivery of equipment be staged in accordance with the construction schedule.

	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)	22	<p>Variances in network build are due to the following reasons.</p> <ol style="list-style-type: none"> 1. Delays in approvals of Indian Allotments. NTUA is actively reviewing permanent and temporary solutions as alternatives to by pass the Indian Allotments until approvals are obtained. 2. Delays in obtaining Rural Utilities Service (RUS) approvals. NTUA's consultants are working directly with the RUS to expedite the approval process. 3. Delays in Make Ready. NTUA has hired contractors to assist with Make Ready. 4. Weather Delays.
2i.	Equipment Deployment	25	<p>Variance is due to the following:</p> <ol style="list-style-type: none"> 1. Subsequent delays in construction have caused delays in electronics equipment deployment. NTUA has taken steps to expedite construction. The greatest impediment to construction is make ready and NTUA has hired outside contractors to assist with make ready. 2. Delays in the Microwave Request for Bids (RFP) process has caused further delays in the deployment of Long Term Evolution 4G (LTE) last mile equipment. Revised Microwave RFP is due on October 21, 2011 3. Due to changes in technology, NTUA has decided to wait to order dongles and laptops until July 2012.
2j.	Network Testing	20	<p>Variance in network testing is due to delays in construction. DBTech has commenced with optical time-domain reflectometer (OTDR) testing on the fiber optic segments that are constructed.</p>
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 planned progress against the project milestones are as follows:

1. Rural Utilities Services(RUS) approvals for optical ground wire (OPGW).
2. Weather Delays
3. Indian Allotment approvals
4. Rights of Way

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	120	Variance is due to an elongated Rural Utilities Service (RUS) approval process and delays in Make Ready. Both the RUS and Make Ready issues have been addressed. Regarding Make Ready, NTUA has hired Atkinson Power to assist. To resolve the RUS concern, NTUA has instructed it's consultants to work directly with RUS to expedite the approval process.
New network miles leased	0	NTUA is in final negotiations with Tri-State and anticipates signing the indefeasible right of use (IRU) agreement prior to the end of next quarter
Existing network miles upgraded	0	NTUA is not upgrading any network miles
Existing network miles leased	0	NTUA is in final negotiations with Tri-State and anticipates signing the indefeasible right of use (IRU) agreement prior to the end of next quarter

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Number of miles of new fiber (aerial or underground)	120	Variance is due to an elongated Rural Utilities Service (RUS) approval process and delays in Make Ready. Both the RUS and Make Ready issues have been addressed. Regarding Make Ready, NTUA has hired Atkinson Power to assist. To resolve the RUS concern, NTUA has instructed it's consultants to work directly with RUS to expedite the approval process.
Number of new wireless links	0	Variance is due to delays in physical network buildout as well as delays in the Microwave deployment. NTUA in conjunction with its last mile sub-recipient is developing a contingency plan for wireless link deployment.
Number of new towers	12	Variance is due to previous delays caused by weather, environmental assessments and changes in location. NTUA has resolved the majority of the issues and has greatly increased production of towers. NTUA in the previous quarter constructed three towers. This quarter, nine additional towers were constructed. NTUA anticipates building an additional fourteen towers by the end of the year
Number of new and/or upgraded interconnection points	0	Variance is due to delays in the signing of the indefeasible right of use (IRU) agreement. NTUA is in final negotiations with Tri-State and anticipates signing the contract prior to the end of next 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	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 will be working on the wireless service.
 NTUA and Navajo Nation have signed an agreement to provide dark fibers to the Navajo Nation. The agreement will be for the life of the fiber optic system. Industry standards estimate fiber optic cable life spans between 20-30 years depending on various factors including type of cable, terrain, weather conditions, etc..
 Cogent Communications - One year agreement for purchase of bandwidth.
 Cellular One - One year agreement for access to tower space.
 Conterra Ultra - One year agreement for access to tower space.

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 is currently conducting a Broadband Rate Study to determine the wholesales services and associated pricing. NTUA anticipates completion of the study 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 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 and delays in finalizing the indefeasible right of use (IRU) agreement. NTUA has taken steps to expedite the construction.
	Providers with signed agreements receiving improved access	0	Variance is due to delays in construction and delays in finalizing the IRU agreement. NTUA has taken steps to expedite the construction.
	Providers with signed agreements receiving access to dark fiber	0	Variance is due to delays in construction and delays in finalizing the IRU agreement. NTUA has taken steps to expedite the construction.
	Please identify the speed tiers that are available and the number of subscribers for each	0	Variance is due to delays in construction and delays in finalizing the IRU agreement. NTUA has taken steps to expedite the construction.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Variance is due to delays in construction and delays in finalizing the IRU agreement. NTUA has taken steps to expedite the construction.
	Subscribers receiving new access	0	Variance is due to delays in construction and delays in finalizing the IRU agreement. NTUA has taken steps to expedite the construction.
	Subscribers receiving improved access	0	Variance is due to delays in construction and delays in finalizing the IRU agreement. NTUA has taken steps to expedite the construction.
	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	Variance is due to delays in construction and delays in finalizing the IRU agreement. NTUA has taken steps to expedite the construction.
	Total subscribers served	0	Variance is due to delays in construction and delays in finalizing the IRU agreement. NTUA has taken steps to expedite the construction.
	Subscribers receiving new access	0	Variance is due to delays in construction and delays in finalizing the IRU agreement. NTUA has taken steps to expedite the construction.
	Subscribers receiving improved access	0	Variance is due to delays in construction and delays in finalizing the IRU agreement. NTUA has taken steps to expedite the construction.
	Please identify the speed tiers that are available and the number of subscribers for each	0	No speed tiers available at this time
Businesses	Entities passed	0	Variance is due to delays in construction and delays in finalizing the IRU agreement. NTUA has taken steps to expedite the construction.
	Total subscribers served	0	Variance is due to delays in construction and delays in finalizing the IRU agreement. NTUA has taken steps to expedite the construction.
	Subscribers receiving new access	0	Variance is due to delays in construction and delays in finalizing the IRU agreement. NTUA has taken steps to expedite the construction.
	Subscribers receiving improved access	0	Variance is due to delays in construction and delays in finalizing the IRU agreement. NTUA has taken steps to expedite the construction.
	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 include the following:
 1. Finalize and sign the Tri-State IRU agreement
 2. Obtain all Rural Utilities Service (RUS) approvals
 3. Finalize any route/design changes and acquire approval from NTIA
 4. Energize portion of the system and commence with network testing
 5. Install 50% of telecommunications shelters for fiber optic regeneration
 6. Provide power to the constructed tower sites and shelters
 7. Deploy 100 additional miles of fiber optic plant
 8. Lease 163.3 miles of fiber optic plant
 9. Construct 12 additional towers
 10. Finalize Microwave contract
 11. Procure all LTE equipment
 12. Deploy LTE Core for testing
 13. Complete 75% of Make Ready

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	45	Reasons for variance from the baseline are as follows: 1. Delays in the overall project are due to subsequent delays in Make Ready production. To alleviate the delay, NTUA has hired additional contractors to assist. 2. Delays in obtaining Rural Utilities Service (RUS) approvals for transmission line work. NTUA in conjunction with their consultants are working directly with RUS to expedite the RUS approval process. 3. Delays in acquiring Indian Allotments approvals and Rights of Way. NTUA has taken a proactive approach to resolving the Indian Allotment issue including the various alternatives such as route change, gigabit laser, and utilizing existing microwave system as a temporary measure until approval is obtained. 4. Weather Delays
2b.	Environmental Assessment	95	NTUA is currently in the process of performing an environmental assessment on 4 tower locations that were not covered in the original Findings of No Significant Impact (FONSI). NTUA anticipates completion of the assessment and submittal of Award Action Request to the NTIA by the end of the quarter.
2c.	Network Design	100	No Variance

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2d.	Rights of Way	75	Variance in obtaining Rights of Way (ROW) is due to changes in Navajo Nation ROW process. To alleviate the problem, NTUA ROW agents / Government liaisons are working directly with the Navajo Nation & Arizona Department of Transportation to expedite approvals.
2e.	Construction Permits and Other Approvals	75	Variance in obtaining construction permits is due to delays in the submittal process. NTUA has submitted all permit applications required for New Mexico. Profiles required for Arizona permits are currently being developed. To expedite the process, NTUA hired T&D Contractors to assist in the development of profiles. T&D is currently working on the crucial, time-sensitive profiles and will submit to NTUA on a piecemeal basis for submission to the Arizona department of transportation.
2f.	Site Preparation	90	No Variance
2g.	Equipment Procurement	85	Variance is due to delays in microwave equipment deployment. Also, due to rapid changes in technology, NTUA has decided to delay purchase of laptops.
2h.	Network Build (all components - owned, leased, IRU, etc.)	45	Variance is due to previous delays in fiber optic construction caused by sluggish Make Ready progress and lack of RUS approvals.
2i.	Equipment Deployment	35	Variance is due to NTUA decision to delay procurement of last mile customer premise equipment due to technology changes
2j.	Network Testing	40	Variance is a consequence of previous delays in construction and microwave deployment
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 are listed below:

1. Challenges in obtaining Indian Allotment approvals. NTUA's government liaison is working directly with the Bureau of Indian Affairs to expedite approval process.
2. Weather Delays
3. Challenges in obtaining right of way (ROW) approvals. NTUA's government liaison is working directly with the Bureau of Indian Affairs to expedite approval process.

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	\$750,000	\$225,000	\$525,000	\$890,000	\$250,000	\$640,000
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	\$1,245,939	\$373,791	\$872,148	\$1,996,658	\$800,000	\$1,196,658
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	\$1,081,356	\$324,397	\$756,959	\$2,055,235	\$556,814	\$1,498,421
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$36,736,021	\$12,171,577	\$24,564,444	\$8,331,618	\$2,501,113	\$5,830,505	\$13,776,544	\$4,136,220	\$9,640,324
j. Equipment	\$2,253,000	\$490,958	\$1,762,042	\$1,090,650	\$327,196	\$763,454	\$1,814,880	\$427,607	\$1,387,273
k. Miscellaneous	\$387,500	\$0	\$387,500	\$5,427	\$0	\$5,427	\$18,354	\$0	\$18,354
l. SUBTOTAL (add a through k)	\$45,902,602	\$13,712,535	\$32,190,067	\$12,604,990	\$3,751,497	\$8,853,493	\$20,656,171	\$6,170,641	\$14,485,530
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	\$12,604,990	\$3,751,497	\$8,853,493	\$20,656,171	\$6,170,641	\$14,485,530

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: \$56,160

b. Program Income to Date: \$56,160