

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

**General Information**

<p><b>1. Federal Agency and Organizational Element to Which Report is Submitted</b></p> <p>Department of Commerce, National Telecommunications and Information Administration</p>	<p><b>2. Award Identification Number</b></p> <p>NT10BIX5570055</p>	<p><b>3. DUNS Number</b></p> <p>800021990</p>
<p><b>4. Recipient Organization</b></p> <p>Navajo Tribal Utility Authority Company Highway 12 N, Fort Defiance, AZ 86504</p>		
<p><b>5. Current Reporting Period End Date (MM/DD/YYYY)</b></p> <p>12-31-2011</p>	<p><b>6. Is this the last Report of the Award Period?</b></p> <p><input type="radio"/> Yes <input checked="" type="radio"/> No</p>	
<p><b>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></p>		
<p><b>7a. Typed or Printed Name and Title of Certifying Official</b></p> <p>Lester Lee</p>	<p><b>7c. Telephone (area code, number and extension)</b></p> <p>X</p>	
	<p><b>7d. Email Address</b></p> <p>lesterl@ntua.com</p>	
<p><b>7b. Signature of Certifying Official</b></p> <p>Submitted Electronically</p>	<p><b>7e. Date Report Submitted (MM/DD/YYYY):</b></p> <p>02-27-2012</p>	

**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 over 180 miles of fiber optic plant.
2. Completion of 16 towers.
3. Hiring of Atkinson Power to assist with Make Ready.
4. Completion of over 300 miles of Make Ready.
5. Procurement of all electronics for the fiber optic plant.
6. Received Grant of Easement to enter and cross Indian Allotment 1961.
7. Procured all LTE equipment (last mile) from ZTE and commenced with installation on towers.
8. Installed 10 LTE Base Stations.
9. Completion of Request for Proposal for last mile modems.
10. Commenced with an integration plan to allow for seamless communication between microwave, fiber optics, and LTE equipment.
11. Commenced with plan to provide power to all towers and fiber electronics shelters.

**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	37	Reasons for variance from the baseline are as follows: 1. Delays in the overall project are due to delays in Make Ready production. To alleviate the delay, NTUA has hired additional contractors to assist. NTUA anticipates all make ready work completed in the following quarter. 2. Delays in fiber optic construction caused by delays in Make Ready. To increase production, NTUA requested the fiber optic construction contractor to increase crew sizes and increase the work schedule to 7 days per week. NTUA anticipates the additional crews will increase production to meet the obligations of the grant. 3. Delays in acquiring Indian Allotments approvals and Rights of Way. NTUA has taken a proactive approach to resolving the Indian Allotment issue including reviewing various alternatives such as route change, gigabit laser, and utilizing existing microwave system as a temporary measure until approval is obtained. Any alternatives NTUA deploys will be outside the scope of the BTOP grant. NTUA has received easements rights for Indian Allotment 1961 and has implemented a microwave work around until for Indian Allotment 1928. 4. Weather Delays
2b.	Environmental Assessment	85	Reasons for the variance in the environmental assessment (EA) are due to requests for changes in the 2 shelter locations. NTUA shall submit an AAR to address the changes to the NTIA during the following quarter.
2c.	Network Design	95	Variance in network design is due to the following: Additional fiber optic engineering to account for relocating two telecommunications shelters that are critical to the NTUA electronics design. NTUA shall submit an AAR to address the changes to the NTIA during the following quarter.
2d.	Rights of Way	80	Variance in obtaining Rights of Way (ROW) stems from previous delays in submittal process as well as changes in Navajo Nation ROW process. 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.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2e.	Construction Permits and Other Approvals	75	Variance in obtaining construction permits is due to delays in the submittal process. NTUA has received blanket approval from the State of Arizona Department of Transportation to commence with fiber optic construction on the fiber backbone. NTUA is currently working on the plans and profiles for the obtaining permits for the laterals to the community anchor institutions. NTUA will submit the permit applications for the laterals on a piecemeal basis as the profiles are completed.
2f.	Site Preparation	85	Variance in preparation of all sites is due to changes in the two telecommunications shelter locations. NTUA shall submit an AAR to address the changes to the NTIA during the following quarter.
2g.	Equipment Procurement	85	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. With respect to last mile equipment, NTUA has procured all 4G LTE equipment from ZTE. NTUA is in negotiations to obtain the Netbooks, modems and SIM cards by October 2012. NTUA anticipates procuring the last mile test equipment during the following quarter.
2h.	Network Build (all components - owned, leased, IRU, etc)	45	<p>Variances in network build are due to the following reasons.</p> <ol style="list-style-type: none"> <li>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.</li> <li>2. Delays in Make Ready. NTUA has hired contractors to assist with Make Ready and anticipates all Make Ready work completed during the following quarter.</li> <li>3. Weather Delays.</li> </ol>
2i.	Equipment Deployment	50	<p>Variance is due to the following:</p> <ol style="list-style-type: none"> <li>1. Delays in construction have caused further delays in electronics equipment deployment. NTUA has taken steps to expedite construction. The greatest impediment to construction was make ready however NTUA hired additional help to alleviate the make ready issues.</li> <li>2. Due to changes in technology, NTUA has decided to wait to order dongles and laptops until July 2012.</li> </ol>
2j.	Network Testing	35	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
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 as follows:

1. Delays in obtaining easement rights to transverse Indian Allotments causing NTUA to dedicate additional resources in finding feasible solutions for by-passing the allotments.
2. Weather Delays

**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	183	Variance is due to delays in make ready and lack of easement rights to transverse Indian Allotments. NTUA has alleviated the make ready issues by hiring additional contractors to assist existing crews and NTUA has taken steps to either obtain the

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
		Indian Allotment approvals or developed alternative solutions to by-pass problematic areas.
New network miles leased	0	N/A
Existing network miles upgraded	0	N/A
Existing network miles leased	0	N/A
Number of miles of new fiber (aerial or underground)	183	Variance is due delays in make ready and lack of easement rights to transverse Indian Allotments. NTUA has alleviated the make ready issues by hiring additional contractors to assist existing crews and NTUA has taken steps to either obtain the Indian Allotment approvals or developed alternative solutions to by-pass problematic areas.
Number of new wireless links	0	Variance is due to delays in physical network build out as well as delays in the microwave procurement. NTUA is scheduled to obtain all microwave equipment during the next quarter.
Number of new towers	16	Variance is due to previous delays in tower construction. NTUA anticipates completion of 25 towers prior to the end of the following quarter.
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 is in the process of finalizing their Broadband Rate Study to determine wholesale services and associated pricing. The rate study will cover bandwidth pricing for dark fibers, dedicated internet access (DAI), point to point services, and transport services from their Data Center to a point of presence in Albuquerque.

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. NTUA has taken appropriate steps to expedite construction.
	Providers with signed agreements receiving improved access	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction.
	Providers with signed agreements receiving access to dark fiber	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction.
Community Anchor Institutions (including Government institutions)	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 appropriate steps to expedite construction. The speed tiers that will be available for subscribers within the NTUA Broadband Tariff will be priced upon completion of the broadband rate study.
	Total subscribers served	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction.
	Subscribers receiving new access	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction.
	Subscribers receiving improved access	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction.
Residential / Households	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 appropriate steps to expedite construction.
	Entities passed	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction.
	Total subscribers served	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction.
	Subscribers receiving new access	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction.
	Subscribers receiving improved access	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction.
Businesses	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 appropriate steps to expedite construction.
	Entities passed	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction.
	Total subscribers served	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction.
	Subscribers receiving new access	0	Variance is due to delays in construction. NTUA has taken appropriate steps to expedite construction.
	Subscribers receiving improved access	0	Variance is due to delays in construction. NTUA has taken appropriate steps 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).

- Finalize the integration plan to allow for seamless communications between NTUA various systems including fiber optics, microwave, and LTE wireless equipment.
- Completion of all Make Ready work.
- Finalizing Broadband Rate Study.
- Deployment of electronics to energizing the systems
- Installation of telecommunications shelters
- Procurement of all microwave equipment.
- Construction of 70% of fiber optic plant. NTUA anticipates completion of over 400 miles of fiber plant by the end of the next quarter.
- Construction of 75% of all towers. NTUA anticipates completion of 25 towers by the end of next quarter.
- Deployment of LTE Core and 33 LTE Base Stations.
- NTUA is currently in the process of building laterals to the CAIs. NTUA anticipates connection to CAIs as laterals become available.
- NTUA has 5 signed agreements with providers: NTUA Wireless, Cogent Communications, Conterra Ultra, Cellular One, and Navajo Nation.

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	74	No Variance
2b.	Environmental Assessment	100	No Variance
2c.	Network Design	100	No Variance
2d.	Rights of Way	80	Variance is due to the elongated process for obtaining easement rights for traversing Indian Allotments. NTUA has taken steps to expedite the allotment process including hiring additional consultants to approach the allottees.
2e.	Construction Permits and Other Approvals	100	No Variance
2f.	Site Preparation	100	No Variance
2g.	Equipment Procurement	90	Variance is due to the rapid changes in technology which has prompted NTUA to delay purchases of Netbooks.
2h.	Network Build (all components - owned, leased, IRU, etc.)	70	No Variance
2i.	Equipment Deployment	65	Variance is due to delays in procuring Microwave equipment and last mile customer premise equipment (CPE).
2j.	Network Testing	70	Variance is a consequence of previous delays in construction and the IRU agreement.
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 in the next quarter are listed below:

1. Obtaining easement rights for the remaining Indian Allotments.
2. Weather

### 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	\$29,873	\$70,127	\$100,000	\$29,873	\$70,127	\$100,000	\$29,873	\$70,127
b. Land, structures, right-of-ways, appraisals, etc.	\$890,000	\$265,871	\$624,129	\$750,000	\$225,000	\$525,000	\$850,000	\$255,000	\$595,000
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$1,996,658	\$596,464	\$1,400,194	\$1,245,939	\$373,791	\$872,148	\$1,496,179	\$448,863	\$1,047,316
e. Other architectural and engineering fees	\$9,600	\$2,868	\$6,732	\$0	\$0	\$0	\$9,600	\$2,868	\$6,732
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$3,529,823	\$1,054,468	\$2,475,355	\$1,094,389	\$427,624	\$666,765	\$1,906,200	\$671,168	\$1,235,033
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$36,736,021	\$10,974,192	\$25,761,829	\$12,597,411	\$3,809,939	\$8,787,472	\$22,252,855	\$6,706,572	\$15,546,282
j. Equipment	\$2,253,000	\$673,041	\$1,579,959	\$1,090,650	\$327,197	\$763,453	\$1,555,590	\$466,678	\$1,088,912
k. Miscellaneous	\$387,500	\$115,758	\$271,742	\$5,427	\$1,628	\$3,799	\$5,427	\$1,628	\$3,799
<b>l. SUBTOTAL (add a through k)</b>	<b>\$45,902,602</b>	<b>\$13,712,535</b>	<b>\$32,190,067</b>	<b>\$16,883,816</b>	<b>\$5,195,052</b>	<b>\$11,688,764</b>	<b>\$28,175,851</b>	<b>\$8,582,650</b>	<b>\$19,593,201</b>
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>n. TOTALS (sum of l and m)</b>	<b>\$45,902,602</b>	<b>\$13,712,535</b>	<b>\$32,190,067</b>	<b>\$16,883,816</b>	<b>\$5,195,052</b>	<b>\$11,688,764</b>	<b>\$28,175,851</b>	<b>\$8,582,650</b>	<b>\$19,593,201</b>

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