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** NT10BIX5570138	**3. DUNS Number** 078557998

4. Recipient Organization

Region 18 Education Svc Ctr. 2811 La Force Blvd, Midland, TX 79711-0580

5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2013	**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 Casey Ritchie Director of Technlology	**7c. Telephone (area code, number and extension)** 4325673250
	7d. Email Address critchie@esc18.net
7b. Signature of Certifying Official Submitted Electronically	**7e. Date Report Submitted (MM/DD/YYYY):** 11-22-2013

Project Indicators (This Quarter)

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

This quarter the route to Crane ISD was completed. An extension request for an additional 30 days was approved moving our project end date from August 31 to September 30. The request was made so that we can complete the route to the McDonald Observatory. During the extension month a development outside the control of Region 18 and outside the control of our contractor Big Bend Telephone required us to request an additional extension to December 31, 2013. The McDonald Observatory Route is being constructed in very rugged terrain - up the side of a mountain. The local utility company has begun to replace existing poles along this route that Region 18 needs to connect aeriel fiber to. Some of these spans are greater than 1000 ft. Once the poles are replaced additional BTOP route construction will take approximately 3 weeks. We completed 7.9 miles this month for the Crane route. Total project miles completed to date are 241.56. This represents 95.9% of total project miles. WE are behind plan the 10.34 aeriel miles to the Observatory. We connected one CAI - Crane. To date we have spent 96% of project funds and are outstanding the final construction invoice for the McDonald Observatory Route. We will connect one final CAI. No broadband wholesaler or last mile agreements were signed this quarter. Our plan was 5 agreements and these have been completed.

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	94	-6% to baseline due to extension for final route.
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)	97	-3% to baseline due to extension for final route
2i.	Equipment Deployment	100	no variance
2j.	Network Testing	97	-3% to baseline due to extension for final route
2k.	Other (please specify): HCTC Pole Makeready	100	no variance

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).

This past quarter our biggest challenge was the difficulty with the power company on our final route. Their choice to change the poles during our construction project forced us to stop work at a critical time and delaying our ability to complete the route.

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	242	We are 95.9% complete. Total miles will be approximately 252 upon completion of the aeriel fiber install for McDonald Observatory.
New network miles leased	0	no variance

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Existing network miles upgraded	0	NA
Existing network miles leased	0	NA
Number of miles of new fiber (aerial or underground)	242	We are 95.9% complete. Total miles will be approximately 252 upon completion of the aeriel fiber install for McDonald Observatory.
Number of new wireless links	3	No variance
Number of new towers	1	-3 to baseline. One tower in Mentone has been constructed. The second tower for Mentone was not needed as we were able to connect to an existing tower on the courthouse. The other towers are on Big Bend routes. Big Bend was able to use existing towers to install the wireless equipment.
Number of new and/or upgraded interconnection points	4	For clarification our definition of interconnection points has been modified since the baseline submission. A peering point where two providers connect to each other will occur 4 times in the Region 18 ESC project. At this time one of these locations has upgraded equipment added by Dell City Telephone. The WesTex Midland connection was completed in Q4 2011. Big Bend Midland connection was completed in Q2 2012; Dell City Pecos and TLSN-McCamey were completed in Q3 2012.

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	0
Average term of signed agreements (in quarters)	40

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:
We have signed agreements with the following companies: Dell City Telephone; Big Bend Telephone; WesTex Telephone; Poka Lambro and Hill Country Telephone.

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:
NA

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).
NA

6. Please provide the data according to the type of subscriber. Write "0" in the Total column and "N/A" in the Narrative column if your project does not pass or serve a particular subscriber type. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (300 words or less).

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Broadband Wholesalers or Last Mile Providers	**Providers with signed agreements receiving new access**	0	NA
	Providers with signed agreements receiving improved access	0	NA
	Providers with signed agreements receiving access to dark fiber	0	NA
	Please identify the speed tiers that are available and the number of subscribers for each	0	NA
Community Anchor Institutions (including Government institutions)	**Total subscribers served**	62	Additional CAI locations to be reported upon completion of the final two project routes. CAI locations currently connected are: (Dell City) Kermit ISD; Winkler County Library; Kermit Fire Chief; Winkler County Judge; Public Housing Authority in Kermit; Kermit Chief of Police; Kermit Sheriff; Pecos-Barstow-Toyah ISD; Reeves County Library; Reeves County Hospital; Pecos Research and Testing Center; Pecos DPS; Mayor of Pecos; Reeves County Judge; Pecos Public Housing Authority; Pecos Chief of Police; Pecos Sheriff; Mayor of Pyote; Culberson County-Allamoore ISD; Van Horne City County Library; Van Horne DPS; Culberson County Judge; Mayor of Van Horne; Van Horne Sheriff; Wink-Loving ISD; Wink Fire Chief; Wink Mayor; Wink Public Housing Authority; Winkler County Barn; Wink Volunteer Fire Department; Monahans-Wickett-PeyoteISD; Mayor Monahans; Ward County Judge; Monahans Public Housing Authority; Monahans Sheriff; Balmorhea ISD; Balmorhea Mayor; Balmorhea Public Housing Authority; Toyah City Hall; Loving County Judge; Mentone Sheriff, Ward County EMS Monahans. (Big Bend) Iraa-Sheffield ISD; Fort Davis ISD; Valentine ISD; MarathonISD; Marfa ISD; Fort Stockton DPS; Fort Stockton ISD; McCamey ISD. (Hill Country) Reagan County ISD; Buena Vista ISD; Grandfalls-Royalty ISD; Rankin ISD. (Poka Lambro) Andrews ISD; Midland DPS. (WesTex) Howard County Library; Howard County Court House; Big Spring Chief of Police; Big Spring District Court; Big Spring Chamber of Commerce; Big Spring CountyLaw Enforcement Center; Crane ISD
	Subscribers receiving new access	0	NA
	Subscribers receiving improved access	62	Additional CAI locations to be reported upon completion of the final two project routes. CAI locations currently connected are: (Dell City) Kermit ISD; Winkler County Library; Kermit Fire Chief; Winkler County Judge; Public Housing Authority in Kermit; Kermit Chief of Police; Kermit Sheriff; Pecos-Barstow-Toyah ISD; Reeves County Library; Reeves County Hospital; Pecos Research and Testing Center; Pecos DPS; Mayor of Pecos; Reeves County Judge; Pecos Public Housing Authority; Pecos Chief of Police; Pecos Sheriff; Mayor of Pyote; Culberson County-Allamoore ISD; Van Horne City County Library; Van Horne DPS; Culberson County Judge; Mayor of Van Horne; Van Horne Sheriff; Wink-Loving ISD; Wink Fire Chief; Wink Mayor; Wink Public Housing Authority; Winkler County Barn; Wink Volunteer Fire Department; Monahans-Wickett-PeyoteISD; Mayor Monahans; Ward County Judge; Monahans Public Housing Authority; Monahans Sheriff; Balmorhea ISD; Balmorhea Mayor; Balmorhea Public Housing Authority; Toyah City Hall; Loving County Judge; Mentone Sheriff, Ward County EMS Monahans. (Big Bend) Iraa-Sheffield ISD; Fort Davis ISD; Valentine ISD; MarathonISD; Marfa ISD; Fort Stockton DPS; Fort Stockton ISD; McCamey ISD. (Hill Country) Reagan County ISD; Buena Vista ISD; Grandfalls-Royalty ISD; Rankin ISD. (Poka Lambro) Andrews ISD; Midland DPS. (WesTex) Howard County Library; Howard County Court House; Big Spring Chief of Police; Big Spring District Court; Big Spring Chamber of Commerce; Big Spring CountyLaw Enforcement Center; Crane ISD

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Please identify the speed tiers that are available and the number or subscribers for each	100	All ISD locations (28) are receiving 100mg, all other locations are receiving between 10mg and 100mg of service (34).
Residential / Households	Entities passed	0	No variance
	Total subscribers served	0	NA
	Subscribers receiving new access	0	NA
	Subscribers receiving improved access	0	NA
	Please identify the speed tiers that are available and the number of subscribers for each	0	NA
Businesses	Entities passed	0	NA
	Total subscribers served	0	NA
	Subscribers receiving new access	0	NA
	Subscribers receiving improved access	0	NA
	Please identify the speed tiers that are available and the number of subscribers for each	0	NA

7. Please describe any special offerings you may provide (600 words or less).
NA

8a. Have your network management practices changed over the last quarter? ◯ **Yes** ◉ **No**

8b. If so, please describe the changes (300 words or less).
NA

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
Crane ISD	**Crane**	**School (K-12)**	**NO**	**Provide high speed internet connectivity to**

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
In the next quarter we plan to complete our final route to the McDonald Observatory and to complete our BTOP project! We will complete a total of 252 project miles and add one additional CAI location. The project will reach completion by December 31, 2013. We are not negotiating or pursuing any additional broadband wholesaler last mile agreements and do not intend to.

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**	97	Project will complete favorable to planned budget.
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.)**	100	No variance
2i.	**Equipment Deployment**	100	NO variance
2j.	**Network Testing**	100	NO variance
2k.	**Other (please specify):** HCTC Pole Make Ready	100	No variance

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).

We do not anticipate any additional challenges at this time.

AWARD NUMBER: NT10BIX5570138
DATE: 11/22/2013

OMB CONTROL NUMBER: 0660-0037
EXPIRATION DATE: 6/30/2015

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	$1,574,266	$485,849	$1,088,417	$1,590,630	$519,934	$1,070,696	$1,590,630	$519,934	$1,070,696
b. Land, structures, right-of-ways, appraisals, etc.	$80,000	$24,690	$55,310	$25,306	$7,629	$17,677	$25,306	$7,629	$17,677
c. Relocation expenses and payments	$0	$0	$0	$0	$0	$0	$0	$0	$0
d. Architectural and engineering fees	$1,765,733	$544,939	$1,220,794	$1,852,321	$539,931	$1,312,390	$1,852,321	$539,931	$1,312,390
e. Other architectural and engineering fees	$0	$0	$0	$0	$0	$0	$0	$0	$0
f. Project inspection fees	$0	$0	$0	$0	$0	$0	$0	$0	$0
g. Site work	$0	$0	$0	$0	$0	$0	$0	$0	$0
h. Demolition and removal	$0	$0	$0	$0	$0	$0	$0	$0	$0
i. Construction	$12,317,820	$3,801,573	$8,516,247	$12,352,277	$3,692,203	$8,660,074	$12,834,856	$3,806,977	$9,027,879
j. Equipment	$1,464,565	$451,993	$1,012,572	$477,789	$175,001	$302,788	$477,789	$175,001	$302,788
k. Miscellaneous	$76,959	$0	$76,959	$13,426	$0	$13,426	$41,674	$0	$41,674
l. SUBTOTAL (add a through k)	$17,279,343	$5,309,044	$11,970,299	$16,311,749	$4,934,698	$11,377,051	$16,822,576	$5,049,472	$11,773,104
m. Contingencies	$0	$0	$0	$0	$0	$0	$0	$0	$0
n. TOTALS (sum of l and m)	$17,279,343	$5,309,044	$11,970,299	$16,311,749	$4,934,698	$11,377,051	$16,822,576	$5,049,472	$11,773,104

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