QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Award Identification Number	3. DUNS Number
Department of Commerce, National Telecommunications and Information Administration	NT10BIX5570138	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)	6. Is this the last Report of the Award Period?
06-30-2011	○ 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	7c. Telephone (area code, number and extension)
Casey Ritchie	4325673250
Director of Technlology	**7d. Email Address** critchie@esc18.net

7b. Signature of Certifying Official	7e. Date Report Submitted (MM/DD/YYYY):
Submitted Electronically	08-15-2011

Project Indicators (This Quarter)

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

Region 18 finalized submission of revised EA and received notification of FONSI in June 2011. Several SAC's were attached to the FONSI. Region 18 is taking action to address the SAC's. A packet of information sheets complete with photographs is being compiled to address the biological SAC's and to protect endangered species and their habitats. Google Earth maps are being distributed to protect the historical sites. All of this data will be forwarded to all construction companies. All contracts have been completed between Region 18 and the 5 telephone companies. The largest contract (representing 67% of construction) has been signed. The others should be signed by the end of July 2011. Several additional 1444 forms have been submitted and we are awaiting their approval. Documentation has been provided to FPO confirming that there is not an overlap of routes between the Region 18 BTOP grant and any other recipient.

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**	7	No variance, Region 18 ESC is tracking % complete based upon actual project completion. We are not tracking our progress based upon $ spent to date.
2b.	**Environmental Assessment**	100	No variance, FONSI issued June 2011
2c.	**Network Design**	90	No variance
2d.	**Rights of Way**	100	No variance
2e.	**Construction Permits and Other Approvals**	10	Construction permits are only valid for 60 days from grant date. They will be acquired as needed through the construction process. We had Previously reported 20% completion on this task. Due to the fact that construction will not begin until September, permits will not be acquired until August 2011. Permits are only valid for 60 days and as such the previous number reported was incorrect.
2f.	**Site Preparation**	3	-9% variance to baseline. Delayed due to delay of FONSI
2g.	**Equipment Procurement**	6	No variance
2h.	**Network Build (all components - owned, leased, IRU, etc)**	0	-22% variance to baseline
2i.	**Equipment Deployment**	0	-4% variance to baseline
2j.	**Network Testing**	0	-5% variance to baseline
2k.	**Other (please specify): Power Pole Make Ready**	50	-50% variance to baseline(Other refers to Pole Make Ready to be performed by Hill Country Telephone).

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).

FONSI not issued until the final weeks of the quarter. We immediately began the process of notifying our contracted companies. The process to begin construction is well under way at this time. As stated in our previous quarterly update, our time line for the quarter was at risk if the FONSI was not issued early in the quarter. We are still confident and have communication from our Telephone Companies performing the work that the project can still be completed on time and meet the 2/3 completion in 2 years hurdle. The SAC's attached to the FONSI were broad in scope and not project specific. This created an additional delay of 4 weeks and a cost over $10,000 to compile the necessary information and create a comprehensive packet of information to distribute to the construction companies hired to perform the work.

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)

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
New network miles deployed	0	-47.96 FONSI not received until mid-June. Companies are ordering equipment and planning to begin construction at the end of Q3 2011. Current construction schedules indicate the project to be back on track by the end of Q1 2012. This is Q3 of Project year 2.
New network miles leased	0	NA
Existing network miles upgraded	0	NA
Existing network miles leased	0	NA
Number of miles of new fiber (aerial or underground)	0	-47.96 See explanation above.
Number of new wireless links	0	no variance
Number of new towers	0	no variance
Number of new and/or upgraded interconnection points	0	-4 See explanation above

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	4
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:
Dell City Telephone, contract signed, represents 67% of project construction. Big Bend Telephone, contract waiting Big Bend signatures. Poka Lambro, WesTex Coop, and Hill Country Telephone are all performing final reviews of contracts. Completed signed contracts are expected by the end of July 2011.

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)
Broadband Wholesalers or Last Mile Providers	**Providers with signed agreements receiving new access**	0	No Variance
	Providers with signed agreements receiving improved access	0	No Variance

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	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	0	No Variance
	Subscribers receiving new access	0	No Variance
	Subscribers receiving improved access	0	No variance
	Please identify the speed tiers that are available and the number or subscribers for each	0	No Variance
Residential / Households	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
Businesses	Entities passed	0	No Variance
	Total subscribers served	0	No Variance
	Subscribers receiving new access	0	No Variance
	Subscribers receiving improved access	0	No Variance
	Please identify the speed tiers that are available and the number of subscribers for each	0	No Variance

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	Narrative description of how anchor institutions are using BTOP-funded infrastructure

			institution? (Yes / No)	
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).
We anticipate that all 5 contracts will be signed with our telephone companies. All equipment should be ordered by the end of the quarter and much received. There are some fiber delivery delays, we are working to minimize the impact this could have on the project. Construction will begin in the next quarter but significant project progress will most likely not be recognized until Q4 of 2011.

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	15	-15% Variance due to construction delay. This variance should be eliminated in Q4 of 2011 (Q2 of BTOP Project Year 2). Region 18 is tracking project completion based upon actual work completed not on $ spent. The additional dollars forecast are reflective of two items. 1. An up front payment of $1,000,000 to Dell City Telephone for the purpose of purchasing equipment. 2. The annual up front payment on the contract for Project Management. The amount of this payment will be $220,000. These two items total $1,220,000 which bridges the gap between the projection of 15% of work completed and the projected spending of 22.05%.
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	30	- 45% As stated above, construction permits are valid for 60 days. We expect that 30% will have been requested and approved by the end of the next quarter.
2f.	Site Preparation	15	-55% Site prep will be in line with overall project completion. Some variation due to later start of construction. Also, baseline estimate of 70% completion at this stage not in line with construction time frame of overall project.
2g.	Equipment Procurement	75	+59% We will be ahead of baseline projection and in line with overall current project projections. Baseline estimate was not in line with construction time frame of overall project.
2h.	Network Build (all components - owned, leased, IRU, etc.)	5	-30% Network build will be in line with overall project completion. Some variation due to later start of construction. Also, baseline estimate of 35% was high expectation for this stage of the project.
2i.	Equipment Deployment	6	No Variance
2j.	Network Testing	0	-6% Do not expect to have enough CAI's connected to perform network testing prior to end of next quarter. Expect to be back on track by the end of Q4 2011
2k.	Other (please specify): Power Pole Make-Ready	50	Delay due to FONSI not issued. Expect to move forward this quarter and complete in Q4 of 2011

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).
At this time we are excited to begin our construction and do not see any barriers to the process. The only potential cause for concern at this point is the potential for delays due to the availability of fiber. We are expecting 67% of our needed fiber to be delivered in October and the remaining amount needed is currently being ordered.

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	$630,593	$214,644	$415,949	$645,782	$193,735	$452,047
b. Land, structures, right-of-ways, appraisals, etc.	$80,000	$24,690	$55,310	$2,775	$805	$1,970	$15,000	$4,500	$10,500
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	$1,636,124	$458,920	$1,177,204	$1,700,000	$510,000	$1,190,000
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	$12,318,000	$3,801,573	$8,516,427	$0	$0	$0	$250,000	$75,000	$175,000
j. Equipment	$1,464,565	$451,993	$1,012,572	$210,595	$94,843	$115,752	$1,200,000	$360,000	$840,000
k. Miscellaneous	$76,959	$23,751	$53,208	$0	$0	$0	$0	$0	$0
l. SUBTOTAL (add a through k)	$17,279,523	$5,332,795	$11,946,728	$2,480,087	$769,212	$1,710,875	$3,810,782	$1,143,235	$2,667,547
m. Contingencies	$0	$0	$0	$0	$0	$0	$0	$0	$0
n. TOTALS (sum of l and m)	$17,279,523	$5,332,795	$11,946,728	$2,480,087	$769,212	$1,710,875	$3,810,782	$1,143,235	$2,667,547

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