

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) 09-30-2011	6. Is this the last Report of the Award Period? <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.

7a. Typed or Printed Name and Title of Certifying Official Casey Ritchie Director of Technology	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): 11-15-2011
---	--

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 Region 18 completed the information packet that addresses all SAC's attached to our FONSI. This packet of information has been distributed to all of our telephone company partners and instructions have been given to provide a copy of the packet to all construction crews. Contracts have been signed with three additional telco's bringing our total signed contracts to 4. The one contract outstanding, Hill Country Telephone is now with Region 18 ESC legal department for final review. The outstanding issue concerning the University of Texas land that will be crossed during construction has been resolved. We will be able to construct as outlined in our EA and will not have to pay a right-of-way fee to the University. We are very pleased with the outcome. We are working with our telco's as they near the start of construction to provide all appropriate Davis Bacon guidance and are requesting to receive the certified weekly time sheets for our review. We are looking forward to construction starting the first of October. We have begun to develop our community outreach plan. We are preparing for and anticipating our Site Visit scheduled for October 24 - 26th in Midland Texas. Equipment and fiber are on order and deliveries are expected beginning the first week of October. These items are being purchased by each telco and not by Region 18.

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	18	-12% variance to baseline. This is calculated based upon total program \$ spent to date. The variance is due to the delay in the start of construction. We anticipate closing this gap over the next two quarters.
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	40	-35% variance, this is due to the fact that permits are only valid for 60 days and as such must be acquired closer to the start of construction for a given route.
2f.	Site Preparation	70	No variance
2g.	Equipment Procurement	14	Fiber and equipment have been allocated and purchased in preparation of the start of construction. Still waiting for some delivery and invoicing.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	-35% from baseline. Construction will begin October 1st. Plans in place to complete 2/3 of project by end of year 2 and on track to complete entire project within the three year schedule.
2i.	Equipment Deployment	6	No variance
2j.	Network Testing	0	-11% variance from baseline. Construction has not begun by September 30.
2k.	Other (please specify):	50	-50% variance 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).
 At present we feel we have addressed the issues that have delayed the start of our construction. The EA, FONSI and SAC's have all been addressed. The open issue of taking fiber over University land has been rectified at no cost. Our telephone company partners have secured both equipment and fiber and are beginning construction October 1st. We remain confident that we will meet the 2/3 completion time line as well as a final completion by the end of year three.

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	0	-76.3 variance to baseline. Construction begins October 1st with multiple consecutive crews working. Equipment and fiber have been received and crews are ready to go. We anticipate Poka Lambro (2.0 miles); Wes Tex (1.33 miles) to complete their construction this coming quarter. Big Bend plans to complete 12.7 miles and Dell City miles
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	-76.3 (see explanation above)
Number of new wireless links	0	-1 (see explanation above)
Number of new towers	0	-2 (see explanation above)
Number of new and/or upgraded interconnection points	0	-6 (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	4
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	1
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; Big Bend Telephone; Wes Tex Telephone Cooperative; Poka Lambro 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)
Broadband Wholesalers or Last Mile Providers	Providers with signed agreements receiving new 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 improved access	0	No variance
	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	Type of Anchor	Are you also the	Narrative description of how anchor institutions are using BTOP-
------------------	---------	----------------	------------------	--

	Area (town or county)	Institution (as defined in your baseline)	broadband service provider for this institution? (Yes / No)	funded infrastructure
NA	NA	NA	NA	NA

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 We anticipate that our fifth and final contract will be signed. Project construction will begin and miles of fiber will be constructed and service to our first CAI's will occur. Our site visit with our FPO is scheduled for this quarter. We have received confirmation that fiber deliveries have occurred. We will begin to close the variance gap and hope to be on track to our baseline by the end of Q1 2012. Number of Network mile deployed - WesTex (1.33 miles) and Poka Lambro (2.9 miles). WesTex will connect 6 CAI's in Big Spring and Poka Lambro will connect 1 CAI in Midland and 1 CAI in Andrews. Construction will begin with Big Bend on November 3 and Dell City will begin construction on November 1st. No miles are projected for these two contracts for Q4. Hill Country will not begin construction in this 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	30	-10% variance to baseline. Delay in start of construction. This gap should be closed by the end of the following reporting quarter (Q1 2012).
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	50	-40% variance to baseline. Due to the fact that permits are valid for 60 days and must be acquired closer to the start of each construction route.
2f.	Site Preparation	80	No variance
2g.	Equipment Procurement	80	No variance
2h.	Network Build (all components - owned, leased, IRU, etc.)	7	-38% variance to baseline, due to delay in construction start. Will be closing gap rapidly as construction begins.
2i.	Equipment Deployment	35	No variance
2j.	Network Testing	7	-57% variance again due to delay of construction start
2k.	Other (please specify): Power Pole make ready (HCTC)	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 are excited to begin construction and do not anticipate any issues. The contracts have been signed, crews are ready to begin and fiber and equipment have been delivered.

