

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) 12-31-2011	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): 02-24-2012	

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 This quarter we have begun construction on several routes of our project. Fiber and equipment have been received and are in place. Our 5th and final contract with Hill Country Telephone has been completed and signed. We are excited to enter this phase of our project and are not anticipating any issues. We have been receiving weekly Davis Bacon time sheets from all construction crews and reviewing them for accuracy. We have completed our Pole Attachment agreements as well as completed our agreement with Union Pacific Railroad and secured the necessary insurance. We also had our site visit in October of 2011. Two items that resulted from this meeting were the request by our FPO to add wireless miles to our total project miles. This has been done. We have added a total of 48.05 aerial miles. We will report wireless miles as completed when the links are installed and service is active. The second item is a clarification, in our grant we list "towers" to be constructed, we need to revise this term to accurately represent what will be installed, in two cases a small addition will be made to an existing structure and in two locations a 50' monopole will be built. An addendum with this information will be posted to GOL as requested. There are some variations in our financial reporting between line items. There is not a variation overall. In order to better represent the BTOP charges amounts were moved as follows: approx. \$2500 for pole attachments was moved from Land to Construction. \$13272 was moved from Architecture and Engineering to Land for Texas General Land Use. \$822 was moved from Equipment to Construction. The budget overrun on line D of Budget Execution details is due to the cost of the Environmental Assessment which was not originally budgeted for. As the overage amount was less than 5% no addendum was requested through GOL.

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	25	-15% variance to baseline, this is calculated based upon the program \$ spent to date. We will continue to narrow this gap in Q1 2012 and expect to be on track with the baseline by the end of the 2nd quarter 2012. The variance is due to our delay in starting construction due to the Environmental Assessment process.
2b.	Environmental Assessment	100	No variance to baseline
2c.	Network Design	100	No variance to baseline
2d.	Rights of Way	100	No variance to baseline
2e.	Construction Permits and Other Approvals	50	-40 % variance to baseline. Permits are only valid for 60 days. These are being acquired as needed.
2f.	Site Preparation	70	-20 % variance to baseline. Site preparation is on track with regards to construction. We expect to close the variance to baseline by the end of Q3 2012.
2g.	Equipment Procurement	80	No variance to baseline
2h.	Network Build (all components - owned, leased, IRU, etc)	7	-73% variance to baseline, baseline number was off and the delay in the start of construction has contributed to the variance. We anticipate a rapid reduction in the variance as the project progresses.
2i.	Equipment Deployment	45	No variance to baseline
2j.	Network Testing	3	-61.2% variance to baseline, we are working to close this gap and anticipate meeting baseline expectations by the end of Q3 2012.
2k.	Other (please specify): HCTC Pole Make Ready	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).

We have not encountered any obstacles that are preventing us from moving forward. We are anticipating closing our gap to baseline by the end of Q3 2012.

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	28	-70 mile variance to baseline. We will narrow our gap in Q2 of 2012 and anticipate closing the gap by Q3 of 2012.
New network miles leased	0	No variance
Existing network miles upgraded	0	No variance
Existing network miles leased	0	No variance
Number of miles of new fiber (aerial or underground)	28	-70 mile variance to baseline. We will narrow our gap in Q2 of 2012 and anticipate closing the gap by Q3 of 2012.
Number of new wireless links	0	-2 variance to baseline. One of the wireless links is anticipated to be connected in the next quarter and the second link is planned for completion in quarter 3 of 2012.
Number of new towers	0	-2 variance to baseline. In clarification Region 18 will not be constructing cell towers. We will be adding wireless links to existing structures and in two cases adding a 50' monopole.
Number of new and/or upgraded interconnection points	1	For clarification, our definition of interconnection points has been modified since the baseline submission. A peering point where 2 providers connect to each other will occur 4 times in the Region 18 project. At this time one of these locations has had upgraded equipment added by Dell City Telephone. We do not anticipate that any of the other 3 peering points in our project will require additional equipment.

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)	0

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, Poka Lambro Telephone, Wes-Tex Telephone, and Hill Country Telephone Company.

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	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	8	NA
	Subscribers receiving new access	0	NA
	Subscribers receiving improved access	8	Andrews ISD and Midland DPS Big Spring - Chief of Police, Chamber of commerce. Howard County - Library, Judge, Law Enforcement Center, 118th District Court
	Please identify the speed tiers that are available and the number or subscribers for each	100	(100 mbps)(50mbps)(20mbps)
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	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 institution? (Yes / No)	Narrative description of how anchor institutions are using BTOP-funded infrastructure
Andrews ISD	Andrews	School (k-12)	NO	services will be used to access educational web sites
Midland DPS	Midland	Public Safety Entity	NO	services will be used to access government web sites
Big Spring Chief of Police	Howard	School (k-12)	YES	services will be used to access government web sites
Howard County Library (Big Spring)	Howard	Library	YES	services will be used to provide internet access to library members
Howard County Judge (Big Spring)	Howard	Other Government Facility	YES	Services will be used to access government web sites
County Law Enforcement Center (Big Spring)	Howard	Other Government Facility	YES	Services will be used to access government web sites
Chamber of Commerce (Big Spring)	Howard	Other Government Facility	YES	Services will be used to access government web sites
Howard County 118th District Court (Big Spring)	Howard	Public Safety Entity	YES	Services will be used to access government web sites

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 Our Q1 2012 activities include, Dell City (our largest contractor) plans to complete an additional 40 miles of fiber construction. They plan to complete the route to Toyah TX (a total of 15 miles) and to continue the routes in Pecos TX. Through these routes we plan to connect 6 additional CAI's including the Pecos Barstow Toyah ISD and the Reeves County Hospital and Library. Big Bend will begin the buried and aerial fiber routes from High Frontier to Fort Davis, this route will not be complete until Q4 2012. Big Bend is also working on the route to Valentine ISD scheduled to be completed in Q2 2012. They will also continue the routes to Marfa ISD and Crane ISD. Big Bend plans to complete the wireless link to Marathon ISD this quarter as well. We anticipate Hill Country Telephone to begin construction late in Q1 2012. We are estimating a total of 60 additional miles completed this quarter and up to 15 additional CAI's being connected. We have completed our contracts and are not anticipating any additional wholesale or last mile agreements.

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	48	-7% variance to baseline. As noted we anticipate making great progress during this quarter.
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	60	-40% to baseline. Permits are only valid for 60 days. These are being acquired as needed throughout the project.
2f.	Site Preparation	80	-10% variance to baseline. We anticipated closing the gap to baseline by the end of Q3 2012.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2g.	Equipment Procurement	90	No variance
2h.	Network Build (all components - owned, leased, IRU, etc.)	48	-10% variance to baseline.
2i.	Equipment Deployment	55	No variance
2j.	Network Testing	35	-30% variance to baseline.
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 challenges. Equipment and fiber are on hand and construction crews are at work.

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	\$1,574,266	\$485,849	\$1,088,417	\$710,674	\$219,124	\$491,550	\$750,626	\$231,442	\$519,184
b. Land, structures, right-of-ways, appraisals, etc.	\$80,000	\$24,690	\$55,310	\$13,493	\$4,160	\$9,333	\$40,000	\$12,333	\$27,667
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	\$1,834,935	\$565,770	\$1,269,165	\$1,834,935	\$565,770	\$1,269,165
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	\$1,482,127	\$456,988	\$1,025,139	\$4,967,143	\$1,531,532	\$3,435,611
j. Equipment	\$1,464,565	\$451,993	\$1,012,572	\$210,595	\$64,934	\$145,661	\$597,819	\$184,327	\$413,492
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	\$4,251,824	\$1,310,976	\$2,940,848	\$8,190,523	\$2,525,404	\$5,665,119
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	\$4,251,824	\$1,310,976	\$2,940,848	\$8,190,523	\$2,525,404	\$5,665,119

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