

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

**General Information**

<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b>  Department of Commerce, National Telecommunications and Information Administration	<b>2. Award Identification Number</b>  NT10BIX5570138	<b>3. DUNS Number</b>  078557998
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<b>4. Recipient Organization</b>  Region 18 Education Svc Ctr. 2811 La Force Blvd, Midland, TX 79711-0580
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<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  03-31-2012	<b>6. Is this the last Report of the Award Period?</b>  <input type="radio"/> Yes <input checked="" type="radio"/> No
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**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>7a. Typed or Printed Name and Title of Certifying Official</b>  Casey Ritchie  Director of Technology	<b>7c. Telephone (area code, number and extension)</b>  4325673250
	<b>7d. Email Address</b>  critchie@esc18.net

<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  05-24-2012
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**Project Indicators (This Quarter)**

**1. Please describe significant project accomplishments completed during this quarter (600 words or less).**  
 This quarter we have continued construction and are making excellent progress and have thankfully not had any setbacks. Two of the five telephone companies have finished construction and the 8 CAI's are up and running. The remaining three companies are all at work. Dell City has made great progress and has completed 48% of their route miles and they expect to connect at least 13 CAI's in the next quarter. Big Bend has completed a total of 12 miles as of the end of Q1 2012 and they are also progressing well. Big Bend expects to have the Fort Davis elementary and high school connected in the next quarter. This will be a full quarter ahead of schedule for them. Hill Country has begun construction and has not reported any routes completed at this point. Davis Bacon reporting continues and this quarter we reported over 10,000 hours worked in construction alone. We have also begun to focus on our Community Outreach program and are excited that through two press releases made by one of our Telco's (Dell City) we have had more than 5 calls from local business and a local judge. We will continue to work together with all our telco's and promote the opportunities now available (or soon to be) in so many communities.

**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	43	-12% variance to baseline. This is calculated based upon the program dollars spent to date. We expect to be on track to baseline by the end of Q2 2012. The variance is due to the delay in starting construction due to the environmental assessment.
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	70	-30% variance to baseline. Permits are only valid for 60 days. They are being acquired as needed.
2f.	Site Preparation	80	-10 % 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	90	No variance to baseline
2h.	Network Build (all components - owned, leased, IRU, etc)	20	We currently have 5% of CAI's connected and 31% of fiber and aerial miles completed. This is a -38% variance to baseline. We expect to greatly narrow this gap in Q2 and hope to eliminate the gap by the end of Q3 2012. Dell City expects to connect at least 13 CAI's in Q2 2012 as well as an additional 25 miles of fiber. Poka Lambro and WesTex have completed all construction and connections. Big Bend is progressing as is Hill Country Telephone.
2i.	Equipment Deployment	55	No variance to baseline
2j.	Network Testing	5	-60% 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 to baseline

**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 slowing down our construction progress. We anticipate a busy and productive quarter with continued closing of our gap to baseline.

**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	80	-46 mile variance to baseline. We are working to close this gap (we were at -70 miles last quarter) and expect to be on track to baseline by the end of Q3 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)	80	-46 mile variance to baseline. We are working to close this gap (we were at -70 miles last quarter) and expect to be on track to baseline by the end of Q3 2012.
Number of new wireless links	0	-2 variance to baseline. One of the links will be completed in Q2 2012 and the second will be completed to the Observatory in Q1 2013.
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. We expect the Loving County Courthouse to be completed in Q2 2012 and the Observatory in Q1 2013.
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 two 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)	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, Poka Lambro Telephone, WesTex 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 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	Andrews ISD; Midland DPS; Big Spring Chief of Police; Howard County Library; Howard County Judge (Big Spring); County Law Enforcement Center (Big Spring); Chamber of Commerce (Big Spring); Howard County 118th District Court (Big Spring).
	Subscribers receiving new access	0	NA
	Subscribers receiving improved access	8	see total subscribers served for locations
	Please identify the speed tiers that are available and the number or subscribers for each	100	(100 Mbps) (50 Mbps) (20 Mbps)
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	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
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).**

Planned Q2 2012 activities include: 13 CAI locations to be connected by Dell City Telephone. An additional 30 miles of fiber construction for Dell City as well. We expect the routes to Wink ISD and to Pecos to be completed this quarter. Hill Country Telephone has begun their 21 miles of construction and we expect to see several miles completed this quarter. Big Bend Telephone will complete the route to Fort Davis Elementary and Fort Davis High School. Big Bend should also complete the route to Valentine ISD. Big Bend is also working to complete the route to Marfa ISD. We show that we will have completed 67% of the overall construction on our project by the end of the next quarter yet we will expend approximately 71% of our funds. The difference is due to the fact that materials and equipment have been purchased and construction completed yet CAI connections will not yet be complete and as such will not be complete by the end of the quarter. We will also solidify our Community Outreach plan and attend the BTOP conference in Washington DC.

**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	71	This will be on track with our baseline forecast. We expect that with construction moving forward as it has been and with the CAI's planned for connection that we will be able to attain this % complete.
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	80	-20% variance to baseline. Permits are only valid for 60 days. These are being acquired as needed through the project.
2f.	Site Preparation	90	No variance to baseline
2g.	Equipment Procurement	90	No variance to baseline
2h.	Network Build (all components - owned, leased, IRU, etc.)	60	-10% variance to baseline.
2i.	Equipment Deployment	70	No variance to baseline
2j.	Network Testing	14	-54% variance to baseline. We anticipate approximately 14% of our CAI's to be connected and tested by the end of Q2 2012. We will have a much greater % of fiber run but not necessarily connected by the end of Q2.
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 crews are working.

RECIPIENT NAME:Region 18 Education Svc Ctr.

AWARD NUMBER: NT10BIX5570138

DATE: 05/24/2012

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

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**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	\$770,297	\$252,734	\$517,563	\$830,300	\$272,338	\$557,962
b. Land, structures, right-of-ways, appraisals, etc.	\$80,000	\$24,690	\$55,310	\$25,306	\$7,629	\$17,677	\$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	\$1,852,321	\$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	\$12,318,000	\$3,801,573	\$8,516,427	\$4,384,398	\$1,317,978	\$3,066,420	\$8,253,060	\$2,475,918	\$5,777,142
j. Equipment	\$1,464,565	\$451,993	\$1,012,572	\$470,595	\$172,843	\$297,752	\$1,318,109	\$395,433	\$922,676
k. Miscellaneous	\$76,959	\$0	\$76,959	\$4,182	\$0	\$4,182	\$4,182	\$0	\$4,182
<b>l. SUBTOTAL (add a through k)</b>	\$17,279,523	\$5,309,044	\$11,970,479	\$7,507,099	\$2,291,115	\$5,215,984	\$12,297,972	\$3,695,953	\$8,602,019
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>n. TOTALS (sum of l and m)</b>	\$17,279,523	\$5,309,044	\$11,970,479	\$7,507,099	\$2,291,115	\$5,215,984	\$12,297,972	\$3,695,953	\$8,602,019

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