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) 06-30-2012	**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):** 08-15-2012

Project Indicators (This Quarter)

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

Q2 2012 was a very productive quarter. We have spent an additional 30% of our grant funds and constructed an additional 73 miles of fiber which represents over 28% of our total miles this quarter alone, we had anticipated an additional 30 miles of fiber would be completed this quarter. We have added two additional ISD's to our connected CAI's and completed an additional interconnection (peering point). As noted last quarter two of our five telephone companies have completed their projects, WesTex and Poka Lambro. Dell City Telephone has completed 87% of the fiber installation contracted and Big Bend telephone has completed 21% of their fiber installation, they have completed the planned routes to Fort Davis and Fort Stockton. Dell City did not complete connection of the 13 CAI's as planned but has begun the splicing process and the plan is to make the connections now in Q3 2012. Hill Country Telephone continued construction this quarter and complete two of its four routes and connected two new CAI's. We expect several additional CAI's to be connected in Q3 2012 as we are aware that construction of the fiber is complete and splicing is taking place in July. Additionally we attended the recent BTOP conference in Washington DC. Davis Bacon reporting continues, this quarter we are reporting 16.49 contractor jobs created, in total the Region 18 ESC BTOP grant is responsible for the creation of 20.54 jobs this quarter. We are continuing with our Community Outreach and have begun to develop a complete program to get the word out which will be coordinated with our telephone companies as service becomes available.

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	71	+4% ahead of baseline. This is calculated based upon the program dollars spent to date.
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	80	-20% variance to baseline. Permits are only valid for 60 days and are being acquired as needed.
2f.	Site Preparation	90	-10% variance to baseline. Site preparation is on track with regards to construction. We expect to close the variance to the baseline by the end of Q3 2012.
2g.	Equipment Procurement	90	No variance to baseline
2h.	Network Build (all components - owned, leased, IRU, etc)	40	-30% to baseline. As shown above 71% of program $ have been spent and 59.3% of program miles have been constructed. 50% of our interconnection (peering points) have been completed and 6.49% of our CAI's are connected. We anticipate completely closing the gap to baseline in Q3 2012.
2i.	Equipment Deployment	70	No variance to baseline
2j.	Network Testing	7	-61% variance to baseline. Actual fiber construction is moving ahead of plan. Final splicing and CAI connections are progressing now with many taking place in Q3 of 2012. Once the CAI's are connected network testing can and will be completed.
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 construction to continue now ahead of schedule and to close the gap with our CAI connections this coming quarter.

4. Please report the following information regarding network build progress. Write "0" in the Total column and "N/A" in the Narrative

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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	153	No variance to baseline (WesTex completed 1.33 miles; Poka Lambro completed 2.90 miles; Hill Country two routes completed 17.5 miles; Big Bend 13.35 miles completed; Dell City Telephone 117.79 miles completed total 152.87 miles).
New network miles leased	0	No variance to baseline
Existing network miles upgraded	0	No variance to baseline
Existing network miles leased	0	No variance to baseline
Number of miles of new fiber (aerial or underground)	153	No variance to baseline (WesTex completed 1.33 miles; Poka Lambro completed 2.90 miles; Hill Country two routes completed 17.5 miles; Big Bend 13.35 miles completed; Dell City Telephone 117.79 miles completed total 152.87 miles).
Number of new wireless links	0	-2 variance to baseline. One link will be completed in July 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. Loving County Courthouse will be connected in July 2012 and the Observatory in Q1 2013.
Number of new and/or upgraded interconnection points	2	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. WesTex Midland connection was completed Q4 2011; Big Bend Midland Connection was completed Q2 2012; Dell City Pecos and TLSN McCamey will be completed in (July) 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; Poka Lambro Telephone; WesTex Telephone; 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)
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	10	Andrews ISD; Midland DPS; Big Spring Chief of Police; Howard County Library; Howard County Judge (Big Spring); County Law Enforcement Center (Big Spring); Howard County 118th District Court (Big Spring); Grand Falls- Royalty ISD (new this quarter); Imperial, Buena Vista ISD (new this quarter).
	Subscribers receiving new access	0	NA
	Subscribers receiving improved access	10	Andrews ISD; Midland DPS; Big Spring Chief of Police; Howard County Library; Howard County Judge (Big Spring); County Law Enforcement Center (Big Spring); Howard County 118th District Court (Big Spring); Grand Falls-Royalty ISD (new this quarter); Imperial, Buena Vista ISD (new this quarter).
	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	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

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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
Buena Vista ISD	**Imperial**	**School K-12**	**No**	**To improve and enhance learning capabilities in our schools, provide ability for virtual classroom learning in this very rural school**
Grand Falls - Royalty ISD	**Grand Falls**	**School K-12**	**No**	**To improve and enhance learning capabilities in our schools, provide ability for virtual classroom learning in this very rural school**

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 and accomplishments include: Dell City will complete the route to Wink ISD, currently 3.22 of the 10.0 mile route is completed. Dell City to connect at least 13 CAI's and possibly up to 21 new CAI connections. Hill Country Telephone is waiting for lines to be moved by Verizon and AT&T prior to continuing their two remaining routes. Hill Country Telephone plans to begin construction on their two remaining routes to Big Lake and Rankin. Big Bend Telephone plans to complete a 30 mile wireless link to connect the Marathon ISD. Big Bend will complete the CAI connections to Fort Davis ISD; Fort Stockton; Valentine and Marfa as the construction of these routes has been completed.

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**	90	This will put us 8% ahead of baseline. At the end of Q3 2012 we forecast that 97% of construction dollars will have been spent with three of five telephone companies having completed their construction phase of the project (Poka Lambro, WesTex and Dell City) though not all CAI connections made. Poka Lambro and WesTex have completed their CAI connections. Hill Country Telephone has 17 of 21 miles completed as of Q2 and we anticipate progress on the remaining miles in Q3. Big Bend will complete the wireless miles as well as several important CAI connections. A total of 90% of program dollars will have been spent. The reason for the 80% planned completion is due to the number of CAI's still to be connected as well as the network testing that will need to be completed.
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**	90	-10% variance to baseline. Construction permits are only valid for 60 days and are being acquired as needed. Big Bend is more than 60 days from completion of all construction.

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2f.	**Site Preparation**	100	No variance to baseline
2g.	**Equipment Procurement**	100	No variance to baseline
2h.	**Network Build (all components - owned, leased, IRU, etc.)**	60	-15% to baseline. We will have 100% of our interconnection (peering) points connected and approximately 90% of our fiber laid with 44% of committed CAI's connected.
2i.	**Equipment Deployment**	90	9% ahead of baseline. Construction moving ahead of plan.
2j.	**Network Testing**	15	-55% off baseline. Baseline projections were off. Planned testing to be completed will be in line with the % complete we are forecasting for CAI connections (19.5% of CAI's forecast).
2k.	**Other (please specify):** HCTC Pole Makeready	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 issues to slow our progress at this point in our project.

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	$827,735	$281,424	$546,311	$1,177,439	$365,006	$812,433
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	$9,079,025	$2,726,366	$6,352,659	$11,979,025	$3,597,215	$8,381,810
j. Equipment	$1,464,565	$451,993	$1,012,572	$477,789	$175,001	$302,788	$525,000	$189,000	$336,000
k. Miscellaneous	$76,959	$23,751	$53,208	$4,182	$0	$4,182	$4,182	$0	$4,182
l. SUBTOTAL (add a through k)	$17,279,523	$5,332,795	$11,946,728	$12,266,358	$3,730,351	$8,536,007	$15,577,967	$4,703,485	$10,874,482
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	$12,266,358	$3,730,351	$8,536,007	$15,577,967	$4,703,485	$10,874,482

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