

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
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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) 03-31-2011	6. Is this the last Report of the Award Period? <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.

7a. Typed or Printed Name and Title of Certifying Official James Collett	7c. Telephone (area code, number and extension) 4325673220
	7d. Email Address jcollett@esc18.net

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-26-2011
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Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 Region 18 completed and submitted their draft EA on time February 28th. Draft returned to Region 18 with questions on March 31st. Currently working to answer questions with intended re-submission by April 14th. Significant progress has been made with the contracts between Region 18 and the 5 telephone companies that will perform the construction of the project. Contracts are currently being reviewed by the Region 18 legal department. All necessary 1444 forms have been submitted. Most have been approved. Six required minor administrative changes which will be completed and re-submitted for review by April 15th. Region 18 has been working with the NTIA and compliance administrators to ensure that there will not be any project overlap with another BTOP award. The process is going well. Region 18 received a new FPO. The change has had a positive impact for us in that our communications and response time with NTIA is greatly improved. Region 18 has (with approval from NTIA) removed a duplicate route to the McDonald Observatory. There will not be a negative impact to the project and the removal of the line will prevent any potential impact to an endangered species (Mexican Spotted Owl) and will mitigate potential budget overruns due to the rugged terrain that would cause damage to the equipment to be used causing the equipment to be scrapped after the project. The Observatory will still be connected via an existing ROW. No other CAI's are impacted by this change.

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	5	no variance to baseline
2b.	Environmental Assessment	90	We are completing our response to questions on the Draft EA.
2c.	Network Design	80	No variance to baseline
2d.	Rights of Way	70	No variance to baseline
2e.	Construction Permits and Other Approvals	20	No variance to baseline
2f.	Site Preparation	3	No variance to baseline
2g.	Equipment Procurement	3	No variance to baseline
2h.	Network Build (all components - owned, leased, IRU, etc)	0	15% variance to baseline, due to FONSI not being issued. We expect to catch up to baseline projections by the end of Q2 2011 (BTOP Q4 Year 1).
2i.	Equipment Deployment	0	1% variance to baseline. This variance will be eliminated during Q2 2011 upon the issuance of the FONSI.
2j.	Network Testing	0	No variance
2k.	Other (please specify):	50	50% variance for Pole Make Ready for Hill Country Telephone. This variance will be eliminated during Q2 2011 upon the issuance of the FONSI.

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).

The EA process is a challenge. We are hopeful that our response will meet the needs of the NTIA and we will receive our FONSI by the end of April. The route to the McDonald Observatory presented a challenge, however with the support of our FPO a resolution has been agreed to and the problem resolved. Due to budget issues within the Texas School System the review and approval of the contracts with our Telephone companies has been slowed significantly. We are working to address this and intend to have resolved and the contracts completed prior to a FONSI being issued.

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	32.7 mile variance. FONSI has not been issued, construction cannot begin. Expect to make-up shortfall in Q2 2011.
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	32.7 mile variance. FONSI has not been issued, construction cannot begin. Expect to make-up shortfall in Q2 2011.
Number of new wireless links	0	No variance
Number of new towers	0	No variance
Number of new and/or upgraded interconnection points	0	-2 variance. Construction has not begun.

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	0
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	5
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 are currently negotiating contracts with: Dell City Communications; Hill Country Telephone; Wes-Tex Telecommunications; Poka Lambro Fiber; Big Bend Telephone. The delay in finalizing the contracts rests within the legal department at Region 18 and potential budget cuts which may affect certain locations.

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	Up to 1 Gbs.
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 varaince
	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	Narrative description of how anchor institutions are using BTOP-funded infrastructure

			institution? (Yes / No)	
NA	NA	NA	NA	Construction has not begun for the project due to the SAC and FONSI not being issued.

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 During Q2 2011 (Q4 Year 1 BTOP) Region 18 will receive their EA FONSI thereby lifting the SAC. All contracts will be completed with the 5 telephone companies and construction will begin.

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	7	No variance from baseline
2b.	Environmental Assessment	100	No variance from baseline
2c.	Network Design	90	No variance from baseline
2d.	Rights of Way	100	No variance from baseline
2e.	Construction Permits and Other Approvals	50	No variance from baseline
2f.	Site Preparation	12	No variance from baseline
2g.	Equipment Procurement	6	No variance from baseline
2h.	Network Build (all components - owned, leased, IRU, etc.)	22	No variance from baseline
2i.	Equipment Deployment	4	No variance from baseline
2j.	Network Testing	5	No variance from baseline
2k.	Other (please specify):	100	Power pole make ready HCTC.

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).
 Meeting these targets will be difficult if the EA is not approved and FONSI granted very early in the quarter. The Region 18 ESC BTOP project is still on track. We have successfully identified potential project issues (McDonald Observatory) and presented solutions to keep the project on track and on budget. We have continued to report and communicate with NTIA as required. Region 18 ESC is looking forward to receiving the FONSI and to begin construction. Continued clear communication and support from our FPO and NTIA will help to keep the project on track.

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	\$485,859	\$1,088,417	\$381,850	\$36,994	\$344,856	\$418,843	\$48,092	\$370,751
b. Land, structures, right-of-ways, appraisals, etc.	\$80,000	\$24,690	\$53,310	\$0	\$0	\$0	\$2,350	\$725	\$1,625
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	\$365,075	\$163,001	\$202,074	\$463,457	\$142,281	\$321,176
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	\$2,709,960	\$826,538	\$1,883,422
j. Equipment	\$1,464,565	\$451,993	\$1,012,572	\$210,595	\$94,843	\$115,752	\$322,304	\$98,948	\$223,356
k. Miscellaneous	\$76,959	\$23,751	\$53,208	\$0	\$0	\$0	\$10,699	\$3,274	\$7,425
l. SUBTOTAL (add a through k)	\$17,279,523	\$5,332,805	\$11,944,728	\$957,520	\$294,838	\$662,682	\$3,927,613	\$1,119,858	\$2,807,755
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$17,279,523	\$5,332,805	\$11,944,728	\$957,520	\$294,838	\$662,682	\$3,927,613	\$1,119,858	\$2,807,755

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