

RECIPIENT NAME: Ronan Telephone Co.

AWARD NUMBER: NT10BIX5570148

DATE: 05/16/2011

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

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 NT10BIX5570148	3. DUNS Number 006827927
4. Recipient Organization Ronan Telephone Co. 312 SW Main St., Ronan, MT 59864-2707		
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	
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 Gerald Beeks	7c. Telephone (area code, number and extension) 4066769215	
	7d. Email Address beeks@ronan.net	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 05-16-2011	

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 We are nearing the end of the EA process, with the Cultural Resource Studies delivered to both the Salish and Kootenai and the Blackfeet Tribes, and the State Historical Preservation Officer for Montana. We are presently waiting on response from these entities to determine what if any mitigation measures they will recommend prior to approval. These studies will be delivered in 11Q2, so we expect responses by in 11Q2 at the latest. We have procured some major pieces of equipment, and are interviewing tribal applicants for the construction crew, also in Q2. We are continuing to work on rights of way and easement issues on the reservations, and are planning on shifting resources from the Blackfeet to the Mission side to the front of the construction schedule as it looks like it will take longer to obtain rights of way on the Blackfeet.

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	7	We projected to be 30% complete by this time, but have delayed equipment purchase and hiring and training of tribal crews, because of the delay associated with completion of the Environmental Assessment.
2b.	Environmental Assessment	23	We projected to be 100% done with the EA by this quarter, and we now project completion by the end of May, providing we get timely responses from the Tribes and the State Cultural Preservation offices.
2c.	Network Design	1	We are at 1% instead of 0 as we have had some costs for consultants. The main part of this budget will be for electronic equipment for routing, switching, and optical transport hardware. This design is being finalized and we expect to order all electronic equipment by the end of the next quarter. Final decisions regarding transport equipment will be made in 11Q2 and orders will be placed immediately once the specific hardware is identified.
2d.	Rights of Way	0	We projected to have 54% of this done by this quarter. We are still encountering complexities related to easements on the Blackfeet Reservation which is slowing the process down. We are now planning on starting construction on the parts of the fiber route where we can use the existing State and County rights of way, and continuing work with the Tribes to obtain rights of way and easemetnts where necessary.
2e.	Construction Permits and Other Approvals	0	Projected 16%...EA delay is causing this effort to slip.
2f.	Site Preparation	0	No Variance...projected 0 for this quarter
2g.	Equipment Procurement	3	Projected 94%...we have delayed equipment procurement as a result of the EA taking longer than anticipated. All equipment will be obtained once the FONSI is released, which we expect in 11Q2.
2h.	Network Build (all components - owned, leased, IRU, etc)	0	Projected 5%...we have slipped network build as a result of the EA taking longer than anticipated.
2i.	Equipment Deployment	0	Projected 12%...we have delayed equipment deployment as a result of the EA taking longer than anticipated.
2j.	Network Testing	0	Projected 12%...we have delayed network testing as a result of the EA taking longer than anticipated.
2k.	Other (please specify): admin and Match	8	Projected 8%..on target. We anticipate additional expenses in this category in 11Q2 relating to legal and administrative costs for rights of way research and correspondence.

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 are experiencing delays in obtaining easements for our proposed fiber route on the Blackfeet Reservation, due to BIA rules regarding Tribal allotments along the State Highway right of way. There are many owners of these parcels that need to be contacted for consent to easements for the installation of new fiber. Normally utilities are allowed to use the utility corridor along State highways that are set aside for this purpose. This apparently is not the case on the Blackfeet and we are having to shift construction effort for

the Blackfeet to a later time frame in the schedule, in order to meet the overall project deadline of August 2013.

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	Baseline projected 4. We anticipate starting in June, following receipt of a FONSI from NTIA.
New network miles leased	0	N/A
Existing network miles upgraded	0	No Variance
Existing network miles leased	0	No Variance
Number of miles of new fiber (aerial or underground)	0	No Variance
Number of new wireless links	0	No Variance
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	Baseline projected 1. We have not started yet due to delays in the EA effort.

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	2
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 no signed agreements yet.

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:

No services are being provided yet. Plans are to offer 100Mb and 1Gb services to other providers and last mile providers. We have responded to a major RFP for dark fiber IRU's to a major hospital consortium in Western Montana and are waiting on the results.

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).

Cutthroat Communications in Bozeman will provide monitoring of our network at their Network Operating Center at 7330 Shedhorn Drive, Bozeman, MT 59718
Cutthroat Communications contact is JP Violette, at 406-556-1737
Cutthroat will be operating as a contractor for the purposes of this project.

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)

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. No installations yet.
	Providers with signed agreements receiving improved access	0	No Variance. No installations yet.
	Providers with signed agreements receiving access to dark fiber	0	No Variance. No installations yet.
	Please identify the speed tiers that are available and the number of subscribers for each	0	No Variance. No installations yet.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	No Variance. No installations yet.
	Subscribers receiving new access	0	No Variance. No installations yet.
	Subscribers receiving improved access	0	No Variance. No installations yet.
	Please identify the speed tiers that are available and the number or subscribers for each	0	No Variance. No installations yet.
Residential / Households	Entities passed	0	No Variance. No installations yet.
	Total subscribers served	0	No Variance. No installations yet.
	Subscribers receiving new access	0	No Variance. No installations yet.
	Subscribers receiving improved access	0	No Variance. No installations yet.
	Please identify the speed tiers that are available and the number of subscribers for each	0	No Variance. No installations yet.
Businesses	Entities passed	0	No Variance. No installations yet.
	Total subscribers served	0	No Variance. No installations yet.
	Subscribers receiving new access	0	No Variance. No installations yet.
	Subscribers receiving improved access	0	No Variance. No installations yet.
	Please identify the speed tiers that are available and the number of subscribers for each	0	No Variance. No installations yet.

7. Please describe any special offerings you may provide (600 words or less).
We do not anticipate service offerings outside the normal telecom and ethernet offerings at this time.

8a. Have your network management practices changed over the last quarter? Yes No

8b. If so, please describe the changes (300 words or less).
We have made no changes to our network management practices.

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	We have not installed any anchor institutions yet, as we have not started construction. Construction is now scheduled for start in June 2011

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 We are now planning on completion of the EA and obtaining a FONSI in June. Construction will start at that time. Equipment and material is being procured according to Federal Government procurement guidelines (RFPs), and construction crew interviewing and hiring is scheduled early during the month of May. Because of the delay caused by the EA process, we are taking steps to ensure that we have the equipment, personnel, material (fiber), and permits to get started as soon as we have the EA behind us. Our consultants are finalizing the specifications for the core network hardware and transport equipment and will have an RFP to release by mid-May.

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	13	We projected to have 48 percent of the project done based on expenditures by this time. The time to accomplish the EA process has delayed our start date. We now expect to have the EA completed by 11Q2 and to start at the end of 11Q2.
2b.	Environmental Assessment	100	We expect to have the EA done in 11Q2.
2c.	Network Design	100	No Variance from baseline.
2d.	Rights of Way	40	We are working with State and local authorities for rights of way on those portions of State and County roadway rights of way that are not on reservations. We still have challenges obtaining rights of way on the reservations, particularly on the Blackfeet. Planned construction effort is shifting from the Blackfeet reservation to the Flathead reservation in order to focus on areas where we can obtain timely rights of way, while still working with the BIA and the Blackfeet Tribal council.
2e.	Construction Permits and Other Approvals	20	We are getting some verbal approvals on county roads, prior to permitting, based on obtaining the FONSI. This will get us a head start on the actual permitting process.
2f.	Site Preparation	0	Projected 52% by this time....This is for preparation for the wireless delivery part of our project, which has been rescheduled later as a result of the overall EA delay.
2g.	Equipment Procurement	95	No Variance from baseline.
2h.	Network Build (all components - owned, leased, IRU, etc.)	10	Projected 37% by this time. We expect to start in June after the FONSI is obtained.
2i.	Equipment Deployment	10	Projected 26% by this time. We expect to start at the end of 11Q2 after the FONSI is obtained.
2j.	Network Testing	0	Projected 26% by this time. We expect to start at the end of 11Q2 after the FONSI is obtained.
2k.	Other (please specify): Admin/Match	24	No Variance from baseline.

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).
 The two major hurdles now are the completion of the EA process, and resolution of tribal rights of way and easements on the Blackfeet reservation fiber routes. Depending on the responses we get from the tribes on the cultural preservation studies, we may need to work out a "Programmatic Agreement" with the Blackfeet in order to get the construction started. Rights of way on the Blackfeet involves

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finding and contacting all of the allottees who own a parcel along the intended route, and obtaining their consent for an easement on their property. Some of the parcels have a large number of owners and this will take more time and money than we anticipated, but we are working through it with the BIA and the Tribe.

