

RECIPIENT NAME: Ronan Telephone Co.

AWARD NUMBER: NT10BIX5570148

DATE: 02/17/2011

OMB CONTROL NUMBER: 0660-0037  
EXPIRATION DATE: 12/31/2013

### 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>  NT10BIX5570148	<b>3. DUNS Number</b>  006827927
<b>4. Recipient Organization</b>  Ronan Telephone Co. 312 SW Main St., Ronan, MT 59864-2707		
<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  12-31-2010	<b>6. Is this the last Report of the Award Period?</b>  <input type="radio"/> Yes <input checked="" type="radio"/> No	
<b>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>		
<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Gerald Beeks	<b>7c. Telephone (area code, number and extension)</b>  4066769215	
	<b>7d. Email Address</b>  beeks@ronan.net	
<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  02-17-2011	

**Project Indicators (This Quarter)**

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

Specific items of equipment were identified and RFP's were issued to equipment vendors. We requested and obtained approval for our 6-month pre EA budget, on condition that we do not break ground with it. We will request that it be used for hands-on training of our new installation crews once it arrives in the Ronan Telephone Company equipment yard. We are in continuing discussions/negotiations with the two Tribes in our project regarding the Tribal Employment Rights Ordinances (TERO), which is a fee paid to the tribe in the form of a percentage of the Federal funds expended on the Reservation. Many contacts have been made and information exchanged between our two EA consultants and the appropriate agencies at the Federal, State, Tribal and County levels, with good progress being made.

**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	3	We projected to be 23% completed by the end of this quarter, mainly on the basis of having procured the equipment and having the crew selection completed. This has been held up by the delay in getting the pre-EA 6-month budget approved and the sub-recipient status for Montana West approved. Once the sub-recipient status is approved, we will catch up quickly.
2b.	Environmental Assessment	14	On Target
2c.	Network Design	0	No Variance
2d.	Rights of Way	0	We projected to have 37% of the rights of way done by this time. We are encountering complexities related to State Department of Transportation rights of way and easements on the Reservations, which is slowing this process down. We are focusing on the rights of way for the first construction segments so that we can get started on schedule for those parts of the project, and continue on the rest of the rights of way while we are putting installation crews to work.
2e.	Construction Permits and Other Approvals	0	We projected 8% in the baseline for this quarter...permits and rights of way are taking longer than anticipated. We are making progress and expect to be on target by next quarter.
2f.	Site Preparation	0	No Variance
2g.	Equipment Procurement	0	We projected to be 94% complete with equipment procurement by this time. We have identified the equipment and have prepared RFP's, however did not proceed until we received approval of Montana West's sub-recipient status...(which we have now received)
2h.	Network Build (all components - owned, leased, IRU, etc)	0	No Variance
2i.	Equipment Deployment	0	No Variance
2j.	Network Testing	0	No Variance
2k.	Other (please specify): Admin and Match	8	On Target

**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 need to have our sub-recipient assignment request approved so that we can draw down funds from our pre EA budget for equipment procurement and training of the installation crews. We are having a hard winter here in Montana, particularly in the Mission Valley, where the snow that usually melts periodically, is staying on the ground. This may delay our start date in the Mission Valley.

**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 showed zero for this quarter
New network miles leased	0	Baseline showed zero for this quarter
Existing network miles upgraded	0	Baseline showed zero for this quarter
Existing network miles leased	0	Baseline showed zero for this quarter
Number of miles of new fiber (aerial or underground)	0	Baseline showed zero for this quarter
Number of new wireless links	0	Baseline showed zero for this quarter
Number of new towers	0	Baseline showed zero for this quarter
Number of new and/or upgraded interconnection points	0	Baseline showed zero for this quarter

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 received requests for quotes for dark fiber IRU's along some parts of our planned route in Western Montana, and are entering into negotiations with these providers.

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  
The contact for Cutthroat Communications is JP Violette, and he can be reached at 406-556-1737  
They 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)
Broadband Wholesalers or Last Mile Providers	Providers with signed agreements receiving new access	0	No Variance. We have not installed anything yet.
	Providers with signed agreements receiving improved access	0	No Variance. We have not installed anything yet.

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	No Variance. We have not installed anything yet.
	Please identify the speed tiers that are available and the number of subscribers for each	0	No Variance. We have not installed anything yet.
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	No Variance. We have not installed anything yet.
	Subscribers receiving new access	0	No Variance. We have not installed anything yet.
	Subscribers receiving improved access	0	No Variance. We have not installed anything yet.
	Please identify the speed tiers that are available and the number of subscribers for each	0	No Variance. We have not installed anything yet.
Residential / Households	Entities passed	0	No Variance. We have not installed anything yet.
	Total subscribers served	0	No Variance. We have not installed anything yet.
	Subscribers receiving new access	0	No Variance. We have not installed anything yet.
	Subscribers receiving improved access	0	No Variance. We have not installed anything yet.
	Please identify the speed tiers that are available and the number of subscribers for each	0	No Variance. We have not installed anything yet.
Businesses	Entities passed	0	No Variance. We have not installed anything yet.
	Total subscribers served	0	No Variance. We have not installed anything yet.
	Subscribers receiving new access	0	No Variance. We have not installed anything yet.
	Subscribers receiving improved access	0	No Variance. We have not installed anything yet.
	Please identify the speed tiers that are available and the number of subscribers for each	0	No Variance. We have not installed anything yet.

**7. Please describe any special offerings you may provide (600 words or less).**

We are not anticipating 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.

**Project Indicators (Next Quarter)**

**1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).**  
 We are in the next quarter following the period of this report. (1/1/2011 through 3/31/2011), or Q3 year1. We anticipate finishing the EA, gaining ground on the rights of way for our first construction routes, getting some permitting so we can get started in the April 2011 timeframe, getting sub-recipient status for Montana West under RTC, so we can start a drawdown for construction equipment procurement, and hiring and training of the new installation crews from the Reservations. We continue to make progress with our negotiations with the Tribes on the TERO and easement issues.

**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	5	We projected 30% percent this quarter, based largely on the expenditure for equipment, which was held up with getting the Montana West bank account authorized for drawdown...(which has now happened) We will catch up next quarter, now that we can buy necessary materials and equipment.
2b.	Environmental Assessment	100	No Variance..we expect the EA to be done early next quarter.
2c.	Network Design	0	No Variance
2d.	Rights of Way	37	We projected to have 54% of the rights of way done by this time. We are encountering complexities related to State Department of Transportation rights of way and easements on the Reservations, which is slowing this process down. We are focusing on the rights of way for the first construction segments so that we can get started on schedule for those parts of the project, and continue on the rest of the rights of way while we are putting installation crews to work.
2e.	Construction Permits and Other Approvals	10	We projected to be 16% completed on this by this time...permitting will be slowed down by delays in getting rights of way on the Reservations.
2f.	Site Preparation	0	No Variance
2g.	Equipment Procurement	0	We projected 94% in the baseline for this quarter, and did not issue RFP's for the equipment until we were assured we have drawdown status for Montana West...we now have that status, and are issuing RFP's for fiber and construction equipment. We will expend these funds in next quarter.
2h.	Network Build (all components - owned, leased, IRU, etc.)	5	No Variance
2i.	Equipment Deployment	0	Projection for this quarter was 12%...this is for the actual build, which was scheduled to start in March. We do not expect to start until next quarter (April) due to delays in the EA and equipment procurement. We will catch up at that time.
2j.	Network Testing	0	We projected a 12% completion on network testing, however construction startup is being delayed by problems encountered with obtaining rights of way on the Reservations.
2k.	Other (please specify): Admin and Match	16	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).**

The three major factors that could impact planned progress are:  
 1. The weather, (we are having a hard winter relative to ground freeze)  
 2. EA completion ..we have submitted our draft EA and expect to complete by the end of February or early March, depending on responsiveness of the appropriate Governmental agencies.  
 3. Equipment procurement delays relative to our ability to drawdown as Montana West...resulting in delays in training and actual construction start. That is now past us as we have received approval of our sub-recipient status for Montana West. We are anxious to start, and will begin construction as soon as these issues are resolved/completed.

**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	\$6,354,845	\$1,913,088	\$4,441,757	\$0	\$0	\$0	\$68,760	\$20,700	\$48,060
b. Land, structures, right-of-ways, appraisals, etc.	\$129,600	\$39,015	\$90,585	\$0	\$0	\$0	\$48,000	\$14,450	\$33,550
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$50,400	\$15,173	\$35,227	\$0	\$0	\$0	\$5,040	\$1,517	\$3,523
g. Site work	\$35,200	\$10,597	\$24,603	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$8,189,627	\$2,465,437	\$5,724,190	\$0	\$0	\$0	\$149,976	\$45,149	\$104,827
j. Equipment	\$4,316,305	\$1,299,398	\$3,016,907	\$0	\$0	\$0	\$0	\$0	\$0
k. Miscellaneous	\$662,948	\$199,577	\$463,371	\$0	\$0	\$0	\$0	\$0	\$0
<b>l. SUBTOTAL (add a through k)</b>	\$19,738,925	\$5,942,285	\$13,796,640	\$0	\$0	\$0	\$271,776	\$81,816	\$189,960
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>n. TOTALS (sum of l and m)</b>	\$19,738,925	\$5,942,285	\$13,796,640	\$0	\$0	\$0	\$271,776	\$81,816	\$189,960

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