

RECIPIENT NAME: Ronan Telephone Co.

AWARD NUMBER: NT10BIX5570148

DATE: 03/06/2014

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 6/30/2015

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) 12-31-2013	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): 03-06-2014	

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 The Northern route around Flathead Lake on Hwy 35 between Polson and Kalispell was completed and accepted as a route change by the Program Office. This completed the build on the Western side of the project. We received EA approval for our CAI builds and have completed upgrades or builds to 13 of the 33 in our schedule. A Master Services Agreement was executed with the Confederated Salish and Kootenai Tribes for service to 48 tribal departments, offices and tribal affiliated entities on the reservation. Landowner consents and surveys have been obtained for easements for the microwave facilities to serve the community of Heart Butte on the Blackfeet reservation. The consent process has been started for the fiber route between Browning and St. Mary/Babb on the Blackfeet reservation.

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	92	Projected 100%. Our project slipped due to contractor delays, and Difficulties in obtaining rights of way has impacted the project schedule.. We have been granted another year to finish. After completion of the microwave to Heart Butte, what will remain is the fiber build to St. Mary/Babb on the Blackfeet Reservation, or the remaining 42.6 miles.
2b.	Environmental Assessment	100	Projected 100%
2c.	Network Design	100	Projected 100%
2d.	Rights of Way	98	Projected 100%. Our project slipped due to contractor delays, and Difficulties in obtaining rights of way has impacted the project schedule.. We have been granted another year to finish. After completion of the microwave to Heart Butte, what will remain is the fiber build to St. Mary/Babb on the Blackfeet Reservation, or the remaining 42.6 miles, for which we will need to obtain rights of way.
2e.	Construction Permits and Other Approvals	100	Projected 100%
2f.	Site Preparation	38	Projected 100%. Overall project slippage has impacted this task. This is the site preparation for the remaining wireless sites, Evaro, Heart Butte, and St. Mary/Babb
2g.	Equipment Procurement	100	Projected 100%
2h.	Network Build (all components - owned, leased, IRU, etc)	63	Projected 100%. Our project slipped due to contractor delays, and Difficulties in obtaining rights of way has impacted the project schedule.. We have been granted another year to finish. After completion of the microwave to Heart Butte, what will remain is the fiber build to St. Mary/Babb on the Blackfeet Reservation, or the remaining 42.6 miles.
2i.	Equipment Deployment	97	Projected 100%. Fiber build between Browning and St. Mary/Babb remains on the Blackfeet reservation.
2j.	Network Testing	100	Projected 100%. Some minor testing will be done at the completion of the last fiber build on the Blackfeet.
2k.	Other (please specify): Admin & Legal	82	Projected 100%...We still have to pay for signature services and easments on the Blackfeet Reservation.

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).

A particularly harsh winter in December halted some construction. No other significant challenges presented themselves.

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	254	Projected 295. 57.41 new miles were deployed this quarter. This was the completion of the northern route between Polson and Kalispell. 63.6 miles remain (42.6 fiber and 21 microwave miles) on the Blackfeet reservation.
New network miles leased	797	Projected 321
Existing network miles upgraded	106	Projected 106, no variance
Existing network miles leased	0	Projected 0
Number of miles of new fiber (aerial or underground)	254	Projected 295. 57.41 new miles were deployed this quarter. This was the completion of the northern route between Polson and Kalispell. 63.6 miles remain (42.6 fiber and 21 microwave miles) on the Blackfeet reservation.
Number of new wireless links	2	Projected 4. Overall project slippage has impacted this task.
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	23	Projected 18...surpassed projections

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	3
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	1
Average term of signed agreements (in quarters)	12

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers:

Bresnan
Cutthroat Communications
Montana Skynet

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:

Bresnan: 20 Year prepaid IRU for 2 dark fibers
Cutthroat Communications: 2Gb ethernet Missoula to Seattle, \$5600 per month.
Montana Skynet: 200Mb Internet, \$18/Mb/Mo., @1400/Mo/Port

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).

Montana West operates its own network with a network operations center.

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	Projected 0
	Providers with signed agreements receiving improved access	2	Projected 4, Project delays have impacted this projection.
	Providers with signed agreements receiving access to dark fiber	1	Projected 0, prepaid IRU with Bresnan for dark fiber
	Please identify the speed tiers that are available and the number of subscribers for each	5	100Mb (0), 200Mb (1), 1Gb (0), 2Gb (1), dark fiber (1)
Community Anchor Institutions (including Government institutions)	Total subscribers served	13	Projected 33. Overall project delays with rights of way and EA review has slipped this schedule.
	Subscribers receiving new access	1	Projected 0
	Subscribers receiving improved access	12	Projected 33, 11 upgrades plus Mission Valley Power
	Please identify the speed tiers that are available and the number or subscribers for each	2	100Mb (13), 1Gb (0)
Residential / Households	Entities passed	1,210	Projected 1810. Project delays impacted this projection.
	Total subscribers served	112	Projected 468. Project delays impacted this projection.
	Subscribers receiving new access	52	Projected 51. Surpassed this projection.
	Subscribers receiving improved access	60	Projected 417. Project delays impacted this projection.
	Please identify the speed tiers that are available and the number of subscribers for each	4	1.5Mb (28), 2.5Mb (5), 4Mb (76), 100Mb (3)
Businesses	Entities passed	160	Projected 186. Project delays impacted this projection.
	Total subscribers served	5	Projected 67. Project delays impacted this projection.
	Subscribers receiving new access	0	Projected 22. Project delays impacted this projection.
	Subscribers receiving improved access	5	Projected 45. Project delays impacted this projection.
	Please identify the speed tiers that are available and the number of subscribers for each	4	10Mb (0), 20Mb (0), 50Mb (2), 100Mb (3)

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

We do not anticipate any special offerings other than wholesale bandwidth and Internet connectivity to other providers and to businesses and anchor institutions.

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

8b. If so, please describe the changes (300 words or less).

Out network management practices have not changed.

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
Salish Kootenai College	Pablo	Community College	Yes	Internet access
St. Luke Medical Center	Ronan	Health Care Provider	Yes	Internet Access and Wide Area Network
Ronan City Library	Ronan	Library	Yes	Internet Access
Polson School District	Polson	School (k-12)	Yes	Internet Access and Wide Area Network
Ronan School District	Ronan	School (k-12)	Yes	Internet Access and Wide Area Network
Ronan Fire Department	Ronan	Public Safety Entity	Yes	Internet Access
Lake County Housing	Ronan	Public Housing	Yes	Internet Access
Kalispell Regional Medical Center	Kalispell	Health Care Provider	No	Wide Area Network
Flathead Community College	Kalispell	Community College	No	Wide Area Network
Salish Kootenai Headquarters	Pablo	Other Government Facility	Yes	Internet Access and Wide Area Network
Ronan City Hall	Ronan	Other Government Facility	Yes	Internet Access
Mission Valley Power	Pablo	Other Community Support	Yes	Internet Access and Wide Area Network
Valley View School	Polson	School (k-12)	Yes	Internet Access

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
 We plan to complete installation to a total of 27 of the 33 CAI's. (14 additional over the 13 already installed or upgraded)
 We plan to install the microwave site to support wireless to Heart Butte, pending on AAR approval of the route change, easements, and as always depending on the weather. We also plan on acquiring easements for the fiber route to St. Mary/Babb. We do not expect to complete any miles of fiber or microwave installation in the next quarter due to the severe weather on the Blackfeet in the winter. We do not anticipate signing any additional wholesale or last mile agreements during the next quarter.

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	95	Projected 100. All that remains is to complete the builds on the Blackfeet and build to the CAI's. We are on track to complete within the one-year extension.
2b.	Environmental Assessment	100	Projected 100
2c.	Network Design	100	Projected 100
2d.	Rights of Way	100	Projected 100

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2e.	Construction Permits and Other Approvals	100	Projected 100
2f.	Site Preparation	50	Projected 100. Actual is 38%--this is Wireless Site Prep. Overall project slippage has impacted this schedule. Site prep will be required for the remaining wireless sites...Evaro, Heart Butte, and St. Mary/Babb.
2g.	Equipment Procurement	100	Projected 100
2h.	Network Build (all components - owned, leased, IRU, etc.)	94	Projected 100. Project slippage due to rights of way and work stoppage by the Blackfeet. All that remains is microwave to Heart Butte and a 43 mile fiber build on the Blackfeet
2i.	Equipment Deployment	99	Projected 100
2j.	Network Testing	100	Projected 100
2k.	Other (please specify): Admin and Legal	94	Projected 100. We still have some costs in this activity, due to the one year extension we were granted and work that remains on the Blackfeet.

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 need approval for our consolidated route change AAR. Acquisition of easements is a complex process on the Blackfeet. We have engaged the services of an expert to assist us in this effort, and he is currently identifying landowners on the Duck Lake Road route and obtaining signatures for consent to move forward. This requires at least 51% of the landowners consent in order to move forward with surveying, appraisals and finally application for approval from the BIA. Along with the weather, this will be our most significant challenge next quarter.

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	\$978,800	\$542,000	\$436,800	\$857,123	\$414,782	\$442,341	\$917,123	\$474,782	\$442,341
b. Land, structures, right-of-ways, appraisals, etc.	\$500,000	\$115,000	\$385,000	\$492,017	\$94,464	\$397,553	\$500,000	\$102,447	\$397,553
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	\$51,728	\$0	\$51,728	\$51,728	\$0	\$51,728	\$51,728	\$0	\$51,728
g. Site work	\$35,200	\$0	\$35,200	\$3,750	\$0	\$3,750	\$35,200	\$0	\$35,200
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$14,612,135	\$5,285,285	\$9,326,850	\$13,135,256	\$5,227,225	\$7,908,031	\$13,664,316	\$5,285,285	\$8,379,031
j. Equipment	\$2,613,062	\$0	\$2,613,062	\$2,613,599	\$0	\$2,613,599	\$2,613,599	\$0	\$2,613,599
k. Miscellaneous	\$948,000	\$0	\$948,000	\$948,000	\$0	\$948,000	\$948,000	\$0	\$948,000
l. SUBTOTAL (add a through k)	\$19,738,925	\$5,942,285	\$13,796,640	\$18,101,473	\$5,736,471	\$12,365,002	\$18,729,966	\$5,862,514	\$12,867,452
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$19,738,925	\$5,942,285	\$13,796,640	\$18,101,473	\$5,736,471	\$12,365,002	\$18,729,966	\$5,862,514	\$12,867,452

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
---	--------------------------------