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	NT10BIX5570148	006827927

4. Recipient Organization

Ronan Telephone Co. 312 SW Main St., Ronan, MT 59864-2707

5. Current Reporting Period End Date (MM/DD/YYYY)	6. Is this the last Report of the Award Period?
06-30-2014	○ 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	7c. Telephone (area code, number and extension)
Gerald Beeks	4066769215
	7d. Email Address beeks@ronan.net

7b. Signature of Certifying Official	7e. Date Report Submitted (MM/DD/YYYY):
Submitted Electronically	08-19-2014

Project Indicators (This Quarter)

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

We received the easement from the BIA for access to Horn Ridge on the Blackfeet reservation for a microwave backhaul and wireless distribution site for Internet delivery to the community of Heart Butte.

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	100	100% of the original budgeted funds have been spent. The joint build between HIEM and RTC generated additional costs and produced additional program income. This program income and more has been added to the project leaving almost $1 million dollars in federal funds available to complete the remainder of the project on the Blackfeet Reservation
2b.	Environmental Assessment	100	Complete
2c.	Network Design	100	Complete except for miscellaneous small hardware purchases
2d.	Rights of Way	99	Still working with the Blackfeet Tribe on final easements and right of ways.
2e.	Construction Permits and Other Approvals	100	Complete
2f.	Site Preparation	38	The rest of the wireless sites are on the Blackfeet Reservation and scheduled for completion next quarter
2g.	Equipment Procurement	100	Complete
2h.	Network Build (all components - owned, leased, IRU, etc)	100	100% of the original budgeted funds have been spent. The joint build between HIEM and RTC generated additional costs and produced additional program income. This program income and more has been added to the project leaving almost $1 million dollars in federal funds available to complete the remainder of the project on the Blackfeet Reservation
2i.	Equipment Deployment	100	100% of the original budgeted funds have been spent. The joint build between HIEM and RTC generated additional costs and produced additional program income. This program income and more has been added to the project leaving almost $1 million dollars in federal funds available to complete the remainder of the project on the Blackfeet Reservation
2j.	Network Testing	100	100% of the original budgeted funds have been spent. The joint build between HIEM and RTC generated additional costs and produced additional program income. This program income and more has been added to the project leaving almost $1 million dollars in federal funds available to complete the remainder of the project on the Blackfeet Reservation
2k.	Other (please specify): Admin & Legal	88	Consent work on the Blackfeet Reservations is not complete

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 long winter and easement acquisition on the Blackfeet Reservation were the most challenging obstacles.

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	No Change from last quarter. Work cannot continue until we obtain consents and easements from the landowners on the Blackfeet.
New network miles leased	797	No Change, projected 321
Existing network miles upgraded	106	No Change, projected 106, no variance
Existing network miles leased	0	Projected 0
Number of miles of new fiber (aerial or underground)	254	No Change from last quarter, Work cannot continue until we obtain consents and easements from the landowners on the Blackfeet.
Number of new wireless links	2	Projected 4, no change, overall project slippage has impacted this task.
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	23	No Change, projected 18

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	2
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

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/Mo.

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)

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	1	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 (0), 1Gb (0), 2Gb (1), Dark Fiber (1)
Community Anchor Institutions (including Government institutions)	**Total subscribers served**	28	17 built (2 sold), 11 ugraded, 5 remaining on the Blackfeet
	Subscribers receiving new access	1	Projected 0
	Subscribers receiving improved access	27	Projected 33. 11 upgrades + Mission Valley Power, fiber was made available to 16 CAI's.
	Please identify the speed tiers that are available and the number or subscribers for each	2	100Mb (12), 1Gb (1)
Residential / Households	**Entities passed**	1,210	Projected 1810. Project delays and harsh winter. No new miles since last quarter.
	Total subscribers served	117	Projected 468. Project delays and harsh winter. No new miles since last quarter.
	Subscribers receiving new access	52	Projected 51. Project delays and harsh winter. No new miles since last quarter.
	Subscribers receiving improved access	65	Projected 417. Project delays and harsh winter. No new miles since last quarter.
	Please identify the speed tiers that are available and the number of subscribers for each	4	1.5Mb (28), 2.5Mb (5), 4Mb (81), 100Mb (3)
Businesses	**Entities passed**	160	No change from last quarter, projected 186...due to project delays and harsh winter.
	Total subscribers served	5	Projected 67. Project delays and harsh winter. No new miles since last quarter.
	Subscribers receiving new access	0	Projected 22. Project delays and harsh winter. No new miles since last quarter.
	Subscribers receiving improved access	5	Projected 45. Project delays and harsh winter. No new miles since last quarter.
	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).

Our 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
Arlee Tribal Health	**Arle**	**Health Care Facility**	**Yes**	**Fiber has been made available with a tribal-wide service agreement**
Salish Kootenai Housing	**Pablo**	**Public Housing**	**Yes**	**Fiber has been made available with a tribal-wide service agreement**
Elmo-Tribal Headquarters	**Elmo**	**Other government Facility**	**Yes**	**Fiber has been made available with a tribal-wide service agreement**

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).

We will finish construction of the Heart Butte microwave Internet distribution facility on Horn Ridge, and bring service to the Heart Butte Medical Clinic, one of our CAI's.

We will bring service to the Blackfeet Tribal headquarters in Browning, another CAI.

We will finish installation of fiber along Hwy89 between St. Mary and Babb, adding 9 miles of fiber for a total of 263 miles.

We will complete the acquisition of consents for fiber placement on Glacier Electric poles between Browning and Hwy89, along Duck Lake Road.

We will complete the installation of wireless distribution to the community of Evaro.

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**	100	100% of the original budgeted funds have been spent. The joint build between HIEM and RTC generated additional costs and produced additional program income. This program income and more has been added to the project leaving $75,000 in federal funds available to complete the close out.
2b.	**Environmental Assessment**	100	Complete
2c.	**Network Design**	100	Complete
2d.	**Rights of Way**	100	Complete
2e.	**Construction Permits and Other Approvals**	100	Complete
2f.	**Site Preparation**	100	Complete
2g.	**Equipment Procurement**	100	Complete
2h.	**Network Build (all components - owned, leased, IRU, etc.)**	100	Complete
2i.	**Equipment Deployment**	100	Complete
2j.	**Network Testing**	100	Complete
2k.	**Other (please specify):** Admin & Legal	92	Final Audit and other Closing Costs will remain

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).

Obtaining landowner consents on the Blackfeet is the only obstacle facing us at this point, and we are working diligently on it.

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	$978,800	$542,000	$436,800	$858,783	$416,442	$442,341	$903,800	$461,459	$442,341
b. Land, structures, right-of-ways, appraisals, etc.	$500,000	$115,000	$385,000	$497,693	$100,140	$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	$15,465,574	$7,092,520	$8,373,054	$16,325,739	$7,092,520	$9,233,219
j. Equipment	$2,613,062	$0	$2,613,062	$2,615,945	$2,346	$2,613,599	$2,615,945	$2,346	$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	$20,441,473	$7,611,448	$12,830,025	$21,380,412	$7,658,772	$13,721,640
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	$20,441,473	$7,611,448	$12,830,025	$21,380,412	$7,658,772	$13,721,640

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: $2,709,242