

RECIPIENT NAME: Ronan Telephone Co.

AWARD NUMBER: NT10BIX5570148

DATE: 02/17/2012

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) 12-31-2011	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): 02-17-2012	

Project Indicators (This Quarter)

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

Last quarter we installed 35 miles of actual fiber in the ground. It is our understanding that this is not to be considered deployed, in that it is one isolated segment of our complete project. This quarter we installed 33 miles of fiber and conduit, again not deployed, as this is another isolated segment of our overall plan. The 33 miles this quarter included 21 miles of actual fiber in the ground and 12 miles of conduit, since we ran out of fiber. We developed an agreement to buy privately funded excess capacity from another program, and are waiting on BTOP approval for this purchase. This will save 41 miles of build time and enable our teams to concentrate on other segments of the project. We also developed an agreement with upstream providers to purchase a link to Seattle and a link between Missoula and Cut Bank, ... waiting on BTOP approval of this project modification. Started the interview process on the Blackfeet Reservation to hire a team to install the first segment in the Spring. Contracted for a cultural walk through for our first segment between Cut Bank and Browning, which is underway.

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	49	Projected 63% Complete--We have delayed purchasing a large part of the switches and routers until a decision is made on the HIEM fiber IRU purchase.
2b.	Environmental Assessment	80	Projected 100% Complete Now 81%--We are waiting for the Blackfeet Tribe to complete their Cultural Walk Through.
2c.	Network Design	30	Projected 100%--Waiting approval on IRU change to purchase a 10Gb link to Seattle.
2d.	Rights of Way	39	Projected 100% now 40%-- Projected Milestone changed with budget modification. Right of way work remains on the Blackfeet Reservation.
2e.	Construction Permits and Other Approvals	80	Projected 40%--Most of the permits have been obtained. The rest of the project is predominately on Montana Department of Transportation right of ways where the fee is minimal or zero. Additional permits remain to be negotiated on the Blackfeet BIA roads.
2f.	Site Preparation	11	Projected 64%--We have started on the site for the Arlee Building.
2g.	Equipment Procurement	70	Projected 96%--now 94% Projected Milestone changed with budget modification. We have not purchased the equipment for the remote sites yet.
2h.	Network Build (all components - owned, leased, IRU, etc)	18	Projected 53% now 40%--Projected Milestone changed with budget modification. We have not purchased IRU for \$662,948 as we are waiting on AAR decision from Washington. We were unable to start our third crew on the Blackfeet Reservation due to delays on permitting and tribal approvals.
2i.	Equipment Deployment	56	Projected 53% Now 58%--Projected Milestone changed with budget modification.
2j.	Network Testing	0	Projected 53% Now 0%--Projected Milestone changed with budget modification. 90% of this category was moved to Equipment Deployment as part of the fiber build. We do not need to hire outside inspectors to test the fiber system. We may need to hire consultants to test the wireless systems.

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2k.	Other (please specify): Admin & Legal	34	Projected 40% Now 34%--Projected Milestone change with budget modification.

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 received a budget modification through the AAR process due to a change in matching funds. It was approved in December 2011 The infrastructure Budget Execution Detail reflects these changes. The budget modification also required adjustments in the project baseline milestones. Our main challenge this quarter has been the lack of fiber. Secondary issue was the shut down of burying activity due to weather. We have started placing conduit when weather permits while waiting for fiber delivery. We were able to use what fiber we could get to place aerial in those segments of our route that could not be buried, while the ground was frozen.

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	56	Installed 56 miles of fiber to date, and installed 12 miles of conduit, awaiting fiber to pull through. Projected 119. These are isolated segments of our final planned installation, and therefore are not deployed as they are not useable by CAI's or other customers until the project is connected to the Internet. Overall project was delayed by the EA, with some delay associated with the weather, and fiber shortage.
New network miles leased	0	Projected 0, no variance from baseline.
Existing network miles upgraded	106	Projected 106, no variance (106 in kind fiber match)
Existing network miles leased	0	Projected 320. IRU contract at BTOP for budget change approval.
Number of miles of new fiber (aerial or underground)	56	Projected 544. Installed 56 miles of fiber to date, and installed 12 miles of conduit, awaiting fiber to pull through. Overall project was delayed by the EA, with some delay associated with the weather, and fiber shortage. Waiting on IRU approval from BTOP.
Number of new wireless links	0	Projected 2. Overall project was delayed by the EA, with some delay associated with the weather, and fiber shortage.
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	Projected 10. Overall project was delayed by the EA, with some delay associated with the weather, and fiber shortage.

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	1
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:
CableVision (Bresnan)

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:

We have executed a contract with Bresnan for a 20-year prepaid IRU for 2 dark fibers. They will prepay in a lump sum when installed and accepted. Contract includes interim provision of (5Gb) circuits, which Montana West is leasing from another provider. Delivery of these interim circuits occurred on 9/27/11.

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 the Montana West network at their Network Operating Center at 7330 Shedhorn Dr., Bozeman, MT. 59718. This activity will transition to Montana West, once Montana West establishes its own Network Operating 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, no variance from baseline
	Providers with signed agreements receiving improved access	1	Projected 2, Waiting on approval of upstream IRU budget realignment.
	Providers with signed agreements receiving access to dark fiber	1	Projected 0, Provider has executed an IRU agreement with Montana West for dark fiber when available. (August 2012)
	Please identify the speed tiers that are available and the number of subscribers for each	2	100Mb and 1Gb, no variance
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Projected 7. Fiber availability, permitting and weather delayed construction. We have started installing conduit while waiting for fiber delivery.
	Subscribers receiving new access	0	Projected 0, no variance.
	Subscribers receiving improved access	0	Projected 7. Fiber availability, permitting and weather delayed construction. We have started installing conduit while waiting for fiber delivery.
	Please identify the speed tiers that are available and the number or subscribers for each	2	100Mb and 1Gb
Residential / Households	Entities passed	175	Projected 950. Overall project delay due to late start, permitting, and fiber shortage. These are residents passed in Evaro , Arlee and Ravalli.
	Total subscribers served	0	Projected 233. Overall project delay due to late start, permitting, and fiber shortage.
	Subscribers receiving new access	0	Projected 24. Overall project delay due to late start, permitting, and fiber shortage.
	Subscribers receiving improved access	0	Projected 209. Overall project delay due to late start, permitting, and fiber shortage.
	Please identify the speed tiers that are available and the number of subscribers for each	3	1.5Mb, 2.5Mb, 4Mb
Businesses	Entities passed	12	Projected 102. Overall project delay due to late start, permitting, and fiber shortage. These are businesses passed in Evaro, Arlee and Ravalli.
	Total subscribers served	0	Projected 41. Overall project delay due to late start, permitting, and fiber shortage.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	Subscribers receiving new access	0	Projected 12. Overall project delay due to late start, permitting, and fiber shortage.
	Subscribers receiving improved access	0	Projected 29. Overall project delay due to late start, permitting, and fiber shortage.
	Please identify the speed tiers that are available and the number of subscribers for each	4	10Mb, 20Mb, 50Mb, 100Mb

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 busiinesses 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).
N/A

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
N/A	N/A	N/A	N/A	N/A

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
There won't be much construction progress during this quarter. Snow and freezing ground have shut down most of the crews. We can finish some work on the aerial portions of the project. Build materials will start to arrive later in the quarter. Engineers will continue on planning and right of ways and to prepare for spring. Administrative efforts will focus on planning and community outreach. We will execute an IRU for 10Gb bandwidth to Seattle. Install core routers in Missoula and Seattle. Complete installation of conduit where possible. Hire and train a construction crew on the Blackfeet. Lease space for a yard in Browning. Execute sales contract for 24 dark fibers to another provider for 24 dark fibers from Pablo to Missoula. Execute a purchase agreement with HIEM for 72 dark fibers from Kalispell to Pablo. We are projecting to have 73 miles of fiber completed by the end of this quarter. If weather permits, we may install more conduit while waiting for fiber deliveries. We intend to lease 600 network miles of bandwidth to Seattle, and 300 network miles of bandwidth between Missoula and Cut Bank this next quarter. We will not be connecting any Community Anchor institutions to the Internet until we can complete out middle mile backbone and connect to the Internet at the fiber hotel in Missoula. Marketing and sales efforts are underway to prepare our offerings. We have a signed agreement with another last mile provider for dark fiber between Kalispell and Missoula when the middle mile backbone is complete from Kalispell to Missoula, projected in August of 2012.

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	62	Projected 69%. Late start due to EA. We are in catch-up mode.
2b. Environmental Assessment	90	Projected 100%--Cultural walkthrough taking place on a segmented basis, to allow us to start in parallel with the rest of the walkthrough. We will receive final approval from the Blackfeet Nation when completed.
2c. Network Design	100	Projected 100%--We will purchase all of the Network Hardware

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2d.	Rights of Way	44	Projected 100% Still working with the Blackfeet Tribe on Rights of Ways
2e.	Construction Permits and Other Approvals	80	Projected 48%--Most of the permits have been obtained. The rest of the project is on State Highway Right of Ways that don't charge for permits. We still need permits on some BIA roadways on the Blackfeet Reservation.
2f.	Site Preparation	28	Projected 64%--The Arlee Building will be completed this quarter and we will start on the other sites in the spring.
2g.	Equipment Procurement	70	Projected 96%--Will order Wireless Equipment and Radios in the spring.
2h.	Network Build (all components - owned, leased, IRU, etc.)	39	Projected 61%--We will purchase the IRU this quarter, once we obtain BTOP approval for our budget realignment.
2i.	Equipment Deployment	62	Projected 65%. Fiber availability is impacting this parameter.
2j.	Network Testing	0	Projected 65%--Projected Milestone changed with budget modification. We will perform our own network testing instead of outsourcing this function. None of the wireless equipment has been installed yet and is not ready for testing.
2k.	Other (please specify): Admin & Legal	50	Projected 48%-- Audit Expense and Insurance due this quarter

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 are waiting on the weather which has been rather mild and allowed us to keep working a little, the biggest challenge will be if the fiber does not arrive as scheduled in February. We have no indication at this time that it will be delayed.

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	\$928,800	\$542,000	\$386,800	\$403,387	\$100,614	\$302,773	\$539,700	\$164,927	\$374,773
b. Land, structures, right-of-ways, appraisals, etc.	\$500,000	\$115,000	\$385,000	\$197,243	\$23,648	\$173,595	\$220,243	\$38,648	\$181,595
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	\$0	\$50,400	\$51,728	\$0	\$51,728	\$51,728	\$0	\$51,728
g. Site work	\$35,200	\$0	\$35,200	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$14,245,272	\$5,285,285	\$8,959,987	\$6,671,267	\$4,466,701	\$2,204,566	\$8,344,973	\$4,466,701	\$3,878,272
j. Equipment	\$3,316,305	\$0	\$3,316,305	\$2,324,177	\$0	\$2,324,177	\$2,324,177	\$0	\$2,324,177
k. Miscellaneous	\$662,948	\$0	\$662,948	\$0	\$0	\$0	\$662,948	\$0	\$662,948
l. SUBTOTAL (add a through k)	\$19,738,925	\$5,942,285	\$13,796,640	\$9,647,802	\$4,590,963	\$5,056,839	\$12,143,769	\$4,670,276	\$7,473,493
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	\$9,647,802	\$4,590,963	\$5,056,839	\$12,143,769	\$4,670,276	\$7,473,493

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
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