

RECIPIENT NAME: Ronan Telephone Co.

AWARD NUMBER: NT10BIX5570148

DATE: 05/15/2012

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>  03-31-2012	<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>  Vicki Weishaar  System Controller	<b>7c. Telephone (area code, number and extension)</b>  4066769215	
	<b>7d. Email Address</b>  vickic@ronan.net	
<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  05-15-2012	

**Project Indicators (This Quarter)**

**1. Please describe significant project accomplishments completed during this quarter (600 words or less).**  
 Construction was able to continue this quarter due to mild weather conditions. We were able to keep a small crew working most of the winter as weather permitted. Normally, we would have been shut down due to snow and frozen ground. The crews were able to almost complete the section between Missoula and St. Ignatius. There is only a few short sections of aerial to complete and we can light it up.  
 All of the fiber needed for construction this summer has arrived. We have contracted with a company to place the fiber in the conduit buried last year. We have also hired a contractor to begin putting fiber in the ground on the Blackfeet Reservation. We are on schedule and looking forward to a great construction season.

**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	58	Projected 66% complete. Purchase of the electronics and upstream IRU were delayed until next quarter
2b.	Environmental Assessment	86	Projected 92%. A portion of the cultural walk through is still in progress
2c.	Network Design	32	Project 100% The bids for the purchase of the electronic hardware have been received and a decision will be made next quarter.
2d.	Rights of Way	44	Projected 46%. Right of way work remains on the Blackfeet Reservation
2e.	Construction Permits and Other Approvals	100	Projected 50% Most of the permits have been obtained.
2f.	Site Preparation	31	Projected 64% The Arlee Building is complete. We are negotiating with a landowner for the Elmo site and will work on the remaining sites later in the summer.
2g.	Equipment Procurement	70	Projected 94% Most of the required equipment has been purchased for the project.
2h.	Network Build (all components - owned, leased, IRU, etc)	24	Projected 41% Construction is going along as planned but the purchase of the IRU was delayed until next quarter
2i.	Equipment Deployment	70	Projected 63% We had not projected receiving a majority of the fiber until later in the summer. The manufacturers were able to ship sooner than expected and we have received all of the fiber needed for this construction season.
2j.	Network Testing	0	Projected 0% This budget item was moved to the main construction line item. The current crew is testing the fiber without hiring an outside contractor.
2k.	Other (please specify): Admin & Legal	40	Projected 50%

**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).**  
 An AAR was approved in March 2012 to move funding from the Construction Budget Line Item to the Miscellaneous Budget Line Item for an IRU change.

**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	75	Projected 182. Our crews are presently making good headway from Big Arm through Elmo on the way to Hot Springs. We had to work a partial crew through the winter as the ground did not permit boring during the freeze. Fiber arrived late in the quarter. We expect to catch up to our projections in the next quarter, with a contractor scheduled to begin on the Blackfeet May 7th.
New network miles leased	0	Projected 0
Existing network miles upgraded	106	Projected 106, no variance (106 in kind fiber match)
Existing network miles leased	0	Projected 321, delay associated with IRU approval, we will have both the Missoula to Cut Bank lease and the Missoula to Seattle lease in place next quarter, for a total of 797 leased miles.
Number of miles of new fiber (aerial or underground)	75	Projected 182, Fiber availability and winter freeze slowed us down. We have the fiber now, and have a contractor scheduled to start on the Blackfeet May 7th.
Number of new wireless links	0	Projected 2. Wireless is scheduled at the end of the middle mile build, so was delayed by the lack of fiber and the winter freeze also.
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	0	Projected 10. We expect to increase the connection points substantially during the next quarter, with the addition of the Missoula and the Westin fiber hotels, and the leased line to Cut Bank.

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 two (5) Gb 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 Drive, Bozeman, Mt. 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
	Providers with signed agreements receiving improved access	1	Projected 2, These will be online in the next quarter
	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 22, Project delay associated with fiber availability and environmental assessments.
	Subscribers receiving new access	0	Projected 0
	Subscribers receiving improved access	0	Projected 22, Project delay associated with fiber availability and environmental assessments.
	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 1060. Overall project delay due to late start, permitting, and fiber shortage. These are residents in Evaro, Arlee and Ravalli.
	Total subscribers served	0	Projected 273. Overall project delay due to late start, permitting, and fiber shortage.
	Subscribers receiving new access	0	Projected 31. Overall project delay due to late start, permitting, and fiber shortage.
	Subscribers receiving improved access	0	Projected 242. 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 in Evaro, Arlee and Ravalli.
	Total subscribers served	0	Projected 56. Overall project delay due to late start, permitting, and fiber shortage.
	Subscribers receiving new access	0	Projected 15. Overall project delay due to late start, permitting, and fiber shortage.
	Subscribers receiving improved access	0	Projected 41. 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 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).**

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).**  
 We have received all of the fiber needed for this season and will have most of the fiber placed in the conduit buried last year by the end of this quarter. The segment between Missoula and Ronan will be 100% complete and have traffic by mid quarter. The crews are working on the segment between Elmo and Nirada and will have that section completed by the end of the quarter. A site has been obtained for the building in Elmo and construction of the building is underway. Work on the Blackfeet Reservation is scheduled to begin in early May, and the segment between Santa Rita through Cut Bank, through Browning and to East Glacier will be mostly completed by the end of the next quarter, (scheduled for completion by August 2012)  
 Project estimates by end of next quarter (end of June 2012):  
 Number of miles deployed: 95  
 Number of CAI's planned to connect: 5  
 Number of broadband wholesaler/last mile provider agreements signed: 3

**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	73	Projected 82% Construction is going as planned and fiber is here. The Kalispell to Polson section is behind what we had anticipated but will be back on schedule by the end of August.
2b.	Environmental Assessment	100	Projected 100% All cultural walk outs will have been completed
2c.	Network Design	100	Projected 100% All Electronic Hardware will be purchased
2d.	Rights of Way	58	Projected 58% Engineering will continue as anticipated
2e.	Construction Permits and Other Approvals	100	Projected 60% Most of the permits have been obtained
2f.	Site Preparation	76	Projected 76% The main sites will have been completed. Working on tower sites.
2g.	Equipment Procurement	77	Projected 96% Most of the large equipment needed for the project has been purchased
2h.	Network Build (all components - owned, leased, IRU, etc.)	54	Projected 55% Proceeding as anticipated
2i.	Equipment Deployment	77	Projected 88% We are holding off on the Last Mile deployment for the moment and concentrating on the middle mile
2j.	Network Testing	0	Projected 22% We are holding off on the Last Mile deployment for the moment and concentrating on the middle mile.
2k.	Other (please specify): Admin and Legal	52	Projected 58%

**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 permitting from the Montana Department of Transportation to start work on the Blackfeet. No other problems are anticipated and we expect to be 73% complete by the end of this second year (August 31, 2012)

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**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	\$462,945	\$158,351	\$304,594	\$574,563	\$222,664	\$351,899
b. Land, structures, right-of-ways, appraisals, etc.	\$500,000	\$115,000	\$385,000	\$221,631	\$41,178	\$180,453	\$290,000	\$53,178	\$236,822
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	\$8,295,747	\$4,466,701	\$3,829,046	\$10,205,696	\$4,466,701	\$5,738,995
j. Equipment	\$3,031,253	\$0	\$3,031,253	\$2,327,822	\$0	\$2,327,822	\$2,331,722	\$0	\$2,331,722
k. Miscellaneous	\$948,000	\$0	\$948,000	\$0	\$0	\$0	\$948,000	\$0	\$948,000
<b>l. SUBTOTAL (add a through k)</b>	\$19,738,925	\$5,942,285	\$13,796,640	\$11,359,873	\$4,666,230	\$6,693,643	\$14,401,709	\$4,742,543	\$9,659,166
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	\$11,359,873	\$4,666,230	\$6,693,643	\$14,401,709	\$4,742,543	\$9,659,166

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