

RECIPIENT NAME: Ronan Telephone Co.

AWARD NUMBER: NT10BIX5570148

DATE: 08/10/2012

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>  06-30-2012	<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>  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>  08-10-2012	

Project Indicators (This Quarter)			
<p><b>1. Please describe significant project accomplishments completed during this quarter (600 words or less).</b></p> <p>Fiber has been completed and spliced between Missoula and St. Ignatius, through Evaro, Arlee, and Ravalli. Construction is continuing to complete the fiber route in the Mission Valley between Hot Springs and Lone Pine. Weather has been cooperating and we are on schedule for completion of the southern portion of the Flathead/Mission Valley network. Transport and distribution equipment for the backbone has been ordered and is being received for the nodes along the backbone between Missoula and Kalispell. An RFP has been issued for the Network management hardware and software. A network manager has been selected and training has started. Cultural studies have been completed for the East/West portion of the network on the Blackfeet reservation. Conduit installation has been completed between Santa Rita and Cut Bank directly East of the Blackfeet reservation. Permit applications have been submitted to the Department of Transportation for the East/West route on the Blackfeet.</p>			
<p><b>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).</b></p>			
	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2a.	Overall Project	70	Projected 82% complete. Delays associated with DOT permitting on the Blackfeet have impacted the schedule.
2b.	Environmental Assessment	90	Projected 100% complete. We still have cultural walk throughs to complete for part of the Blackfeet network. (Heart Butte and St. Mary/ Babb)
2c.	Network Design	56	Projected 100% complete. Electronics have been ordered but some are not yet received or invoiced.
2d.	Rights of Way	66	Projected 58% complete. Rights of way remain to be obtained for tribally owned land on BIA roads on the Blackfeet. (Heart Butte route)
2e.	Construction Permits and Other Approvals	100	Projected 60% complete. Most of the permits have been obtained.
2f.	Site Preparation	32	Projected 76% complete. Site preparation for Browning POP and the wireless locations remains.
2g.	Equipment Procurement	78	Projected 96% complete. Some additional equipment may be required for the Blackfeet construction season next year.
2h.	Network Build (all components - owned, leased, IRU, etc)	55	Projected 55% complete.
2i.	Equipment Deployment	77	Projected 88% complete. Permitting issues in Glacier County has delayed construction.
2j.	Network Testing	0	Projected 25% complete. We are able to do the testing with current employees and have not had to hire an outside contractor.
2k.	Other (please specify): Admin & Legal	49	Projected 58% complete. Shortfall is commensurate with overall project minor slippage.
<p><b>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).</b></p> <p>Our biggest challenge has been obtaining permits from the Department of Transportation for work on the Blackfeet Reservation. Communications are being resolved and we expect to have these permits shortly.</p>			
<p><b>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).</b></p>			

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
New network miles deployed	110	Projected 196. Delays on the Blackfeet Reservation impacted our construction schedule.
New network miles leased	797	Projected 321. Additional miles as a result of an IRU for 10Gb to Seattle.
Existing network miles upgraded	106	Projected 106, no variance (106 in kind fiber match)
Existing network miles leased	0	Projected 0.
Number of miles of new fiber (aerial or underground)	110	Projected 196. Delays on the Blackfeet Reservation impacted our construction schedule.
Number of new wireless links	0	Projected 2. Wireless is scheduled at the end of the middle mile build, so overall project slippage has impacted it.
Number of new towers	0	N/A.
Number of new and/or upgraded interconnection points	3	Projected 14. Seattle, Missoula and Ronan at this point. Interconnection points will grow substantially with the installation of the transport equipment next 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	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:  
Cablevision (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:  
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. We have executed a contract with Cutthroat Communications for the provision of 2Gb ethernet from Missoula to Seattle for a monthly recurring charge of \$5600, term of 36 months.

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 is monitoring our network at their Network Operating Center. This will transition to Montana West, once Montana West establishes its own 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.

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 improved access	2	Projected 2. Cutthroat Communications and Bresnan
	Providers with signed agreements receiving access to dark fiber	1	Projected 0. Bresnan 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	4	100mb and 1Gb and 2Gb, and dark fiber
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 65. Overall project delay due to late start, permitting, and fiber shortage.
	Subscribers receiving new access	0	Projected 20. Overall project delay due to late start, permitting, and fiber shortage.
	Subscribers receiving improved access	0	Projected 45. 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).**  
 The final redundancy segment between St. Ignatius and Ronan will be completed. Dark fiber will be delivered to Bresnan. The east/west route on the Blackfeet will be completed, and the cultural walk through for the Heart Butte route on the Blackfeet will be completed.  
 Next quarter production estimates;  
 Number of miles of fiber planned for deployment: 198  
 Number of CAI's planned for connection: 7  
 Number of broadband wholesaler/last mile provider agreements signed: 2

**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	79	Projected 87%...DOT Permitting delays on the Blackfeet Reservation has impacted out schedule.
2b.	Environmental Assessment	100	Projected 100%...no variance
2c.	Network Design	100	Projected 100%...no variance
2d.	Rights of Way	80	Projected 70%...BIA approvals have accelerated the progress for State highways on the reservation.
2e.	Construction Permits and Other Approvals	100	Projected 70%...permits are all applied for and waiting approval
2f.	Site Preparation	32	Projected 88%...overall project delays have impacted site preparation
2g.	Equipment Procurement	81	Projected 98%...some equipment may still be needed on the Blackfeet build
2h.	Network Build (all components - owned, leased, IRU, etc.)	59	Projected 68%...Delays on the Blackfeet have contributed to this variance.
2i.	Equipment Deployment	84	Projected 91% Delayed by permitting issues.
2j.	Network Testing	0	Projected 38%...final network testing will commence upon completion of the northern route.
2k.	Other (please specify): Admin & Legal	60	Projected 66%...delays commensurate with overall project delays.

**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 biggest challenge at this time is now permitting delays from the Department of Transportation. The EA work is all done, permits have been applied for, and we are waiting on issuance of the permits and cannot start work until they are released by DOT. We may need some help explaining the urgency of the permits.

**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	\$531,446	\$217,665	\$313,781	\$633,877	\$281,978	\$351,899
b. Land, structures, right-of-ways, appraisals, etc.	\$500,000	\$115,000	\$385,000	\$330,340	\$51,758	\$278,582	\$400,655	\$66,758	\$333,897
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	\$9,635,749	\$4,466,701	\$5,169,048	\$11,105,500	\$4,466,701	\$6,638,799
j. Equipment	\$3,031,253	\$0	\$3,031,253	\$2,363,077	\$0	\$2,363,077	\$2,455,500	\$0	\$2,455,500
k. Miscellaneous	\$948,000	\$0	\$948,000	\$948,000	\$0	\$948,000	\$948,000	\$0	\$948,000
<b>l. SUBTOTAL (add a through k)</b>	\$19,738,925	\$5,942,285	\$13,796,640	\$13,860,340	\$4,736,124	\$9,124,216	\$15,595,260	\$4,815,437	\$10,779,823
m. Contingencies									
<b>n. TOTALS (sum of l and m)</b>	\$19,738,925	\$5,942,285	\$13,796,640	\$13,860,340	\$4,736,124	\$9,124,216	\$15,595,260	\$4,815,437	\$10,779,823

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