

RECIPIENT NAME: Ronan Telephone Co.

AWARD NUMBER: NT10BIX5570148

DATE: 02/26/2013

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>  12-31-2012	<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>  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>  02-26-2013	

**Project Indicators (This Quarter)**

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

Finished the pedestrian cultural survey on Badger Creek Road on the Blackfeet Reservation. Transport electronics have been installed in Missoula, Arlee, St. Ignatius, Ronan and Pablo. Solarwinds software and Dell servers have been installed at the Missoula fiber hotel and the Network operations center is now fully operational, monitoring the part of the network that has been installed. Finished the redundant loop fiber installation from St. Ignatius to Ronan. Upgraded 60 existing wireless customers in Arlee and added 10 new ones, for a total of 70.

**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	84	Projected 87%--Delays and stoppages on the Blackfeet have negatively impacted the schedule.
2b.	Environmental Assessment	95	Projected 100%--Will need EA work on the Blackfeet once we determine our final route.
2c.	Network Design	99	Projected 100%--Network design may change if we need to go with microwave at some locations on the Blackfeet due to shortage of time left in the grant period
2d.	Rights of Way	88	Projected 100%--Due to work stoppage on the Blackfeet, rights of way will be needed to complete the project to St. Mary, Babb, and possibly Heart Butte.
2e.	Construction Permits and Other Approvals	100	Projected 72%--Due to work stoppage on the Blackfeet, permit applications have been delayed.
2f.	Site Preparation	33	Projected 88%--Site prep for the wireless locations remains to be done.
2g.	Equipment Procurement	86	Projected 99%-- wireless equipment will be needed for the wireless locations...overall schedule slippage due to contractor delays.
2h.	Network Build (all components - owned, leased, IRU, etc)	62	Projected 85%--Schedule has slipped due to work stoppage on the Blackfeet.
2i.	Equipment Deployment	91	Projected 90%--No variance
2j.	Network Testing	0	Projected 90%--Overall schedule has slipped...networks cannot be tested until they are built.
2k.	Other (please specify): Admin & Legal	69	Projected 72%--Legal Fees for the Blackfeet issue are very high

**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).**

The Blackfeet Tribe stopped the project on the Blackfeet Reservation on August 3. Negotiations have been ongoing since then. BTOP program management has been involved in direct discussions with the Tribe to effect a resolution. Due to the work stoppage the remaining time left in the grant has been reduced to the point that alternative Internet delivery methods are being examined... potentially microwave to reach the outlying areas in order to complete the grant in the time allotted.

**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)

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
New network miles deployed	121	Projected 264. Work stoppage on the Blackfeet and schedule slippage by our contractor both have impacted miles planned for completion.
New network miles leased	797	Projected 321
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)	121	Projected 264. Work stoppage on the Blackfeet has impacted miles planned for completion.
Number of new wireless links	1	Projected 4. Wireless is scheduled for the end of the middle mile build, so project slippage has impacted it.
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	7	Projected 17. Seattle, Missoula, Arlee, St. Ignatius, Ronan, Santa Rita, and Pablo. Overall project slippage has impacted the number of connection points.

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:

Cablevision (Bresnan)...dark fiber  
Cutthroat Communications...bandwidth  
Montana Skynet...bandwidth

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).

The Montana West system's Network Operations Center is now fully operational, and monitors all electronics and links presently installed.

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	2	Projected 4. Project delays have impacted this projection. Montana Skynet and Cutthroat Communications
	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. Originally scheduled for August 2012, now scheduled for next quarter (April 2013)
	Please identify the speed tiers that are available and the number of subscribers for each	4	100Mb, 1Gb, 2Gb, dark fiber 100Mb (1), 2Gb (1), dark fiber (1)
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Projected 32. Blackfeet work stoppage and contractor slippages have impacted our ability to provide planned service.
	Subscribers receiving new access	0	Projected 0.
	Subscribers receiving improved access	0	Projected 32. Blackfeet work stoppage and contractor slippages have impacted our ability to provide planned service.
	Please identify the speed tiers that are available and the number or subscribers for each	2	100Mb and 1Gb
Residential / Households	Entities passed	190	Projected 1210. Overall project slippage has impacted this planned provision of services.
	Total subscribers served	70	Projected 318. Overall project slippage has impacted this planned provision of services. 70 wireless customers in Arlee, 60 upgraded and 10 new customers.
	Subscribers receiving new access	0	Projected 42. Overall project slippage has impacted this planned provision of services.
	Subscribers receiving improved access	0	Projected 276. Overall project slippage has impacted this planned provision of services.
	Please identify the speed tiers that are available and the number of subscribers for each	3	1.5Mb, 2.5Mb, 4Mb 1.5Mb (55), 4Mb (15)
Businesses	Entities passed	12	Projected 171. Overall project slippage has impacted this planned provision of services.
	Total subscribers served	0	Projected 67. Overall project slippage has impacted this planned provision of services.
	Subscribers receiving new access	0	Projected 22. Overall project slippage has impacted this planned provision of services.
	Subscribers receiving improved access	0	Projected 45. Overall project slippage has impacted this planned provision of services.
	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).**  
 Negotiations will complete with the Blackfeet and work will start again on the Blackfeet Reservation.  
 Wireless services will be completed to Arlee and Elmo.  
 Fiber backbone will be completed to Browning and East Glacier on the Blackfeet.  
 Northern section of the Western network will be completed.  
 Additional 1Gb upstream will be obtained from Seattle.  
 An ISP in Kalispell will sign up for service.  
 Number of miles planned for next quarter: Blackfeet 37  
 Number of CAI's planned for next quarter: 18  
 Number of broadband wholesaler/last mile provider agreements planned for next quarter: 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	87	Projected 92%--Work stoppage on the Blackfeet and delays on the northern route are impacting schedule
2b.	Environmental Assessment	95	Projected 100%--Some EA work still to be completed in Glacier County
2c.	Network Design	100	Projected 100%
2d.	Rights of Way	92	Projected 100%--Work still to be completed in Glacier County.
2e.	Construction Permits and Other Approvals	100	Projected 80%
2f.	Site Preparation	67	Projected 88%--Engineering work on the wireless portion of the project will continue this quarter.
2g.	Equipment Procurement	87	Projected 99%--Work stoppage on the Blackfeet and delays on the northern route are impacting schedule
2h.	Network Build (all components - owned, leased, IRU, etc.)	63	Projected 93%--Work stoppage on the Blackfeet and delays on the northern route are impacting schedule
2i.	Equipment Deployment	93	Projected 94%--As anticipated
2j.	Network Testing	44	Projected 94%--Testing work scheduled to start on the southern portion of the project.
2k.	Other (please specify): Admin & Legal	76	Projected 80%--As anticipated. Legal fees are high concerning the Glacier county portion of the build.

**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).**

--AAR for a project modification for a route change from the west shore of Flathead Lake to the East shore will require assistance from BTOP with a short time frame due to contractor schedule slippages.  
 --AAR for route change and fiber to microwave on the Blackfeet, if we can get the Tribe to give us a go ahead...will need help on both the AAR and the contract negotiations.

**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	\$693,809	\$329,641	\$364,168	\$738,809	\$374,641	\$364,168
b. Land, structures, right-of-ways, appraisals, etc.	\$500,000	\$115,000	\$385,000	\$441,941	\$75,192	\$366,749	\$461,941	\$90,192	\$371,749
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	\$17,100	\$0	\$17,100
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$14,245,272	\$5,285,285	\$8,959,987	\$11,846,982	\$4,692,871	\$7,154,111	\$12,281,265	\$4,692,871	\$7,588,394
j. Equipment	\$3,031,253	\$0	\$3,031,253	\$2,607,867	\$0	\$2,607,867	\$2,637,867	\$0	\$2,637,867
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	\$16,590,327	\$5,097,704	\$11,492,623	\$17,136,710	\$5,157,704	\$11,979,006
m. Contingencies									
<b>n. TOTALS (sum of l and m)</b>	\$19,738,925	\$5,942,285	\$13,796,640	\$16,590,327	\$5,097,704	\$11,492,623	\$17,136,710	\$5,157,704	\$11,979,006

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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