

RECIPIENT NAME: Ronan Telephone Co.

AWARD NUMBER: NT10BIX5570148

DATE: 05/15/2013

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) 03-31-2013	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): 05-15-2013	

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).
 Negotiations were completed with the Blackfeet Tribe and construction resumed. Middle mile fiber route with all electronics between Pablo and Missoula was completed, tested and fully operational. This enabled delivery of one half of the service (the southern route) contracted for with Bresnan. Fiber has been completed and tested between Cut Bank and Browning. An additional 1Gb upstream transport has been contracted for in Seattle. Peering has started in Seattle with 21 content providers now peering with Montana West.

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	87	Projected 93% Schedule was delayed due to negotiations with the Blackfeet Tribal Council.
2b.	Environmental Assessment	97	Projected 100% There is still some cultural walk through work anticipated on the Blackfeet Reservation.
2c.	Network Design	99	Projected 100% \$188,142 was moved from Equipment Procurement to fund additional hardware expenses.
2d.	Rights of Way	91	Projected 94% Schedule delays on the Blackfeet due to negotiations delayed rights of way research.
2e.	Construction Permits and Other Approvals	100	Projected 90%
2f.	Site Preparation	33	Projected 88% The wireless sites on the Blackfeet Reservation were delayed.
2g.	Equipment Procurement	92	Projected 100% The wireless towers and radios have not been received as of yet. We were able to spend less on heavy equipment than was anticipated and were able to move \$250,000 to other budget categories.
2h.	Network Build (all components - owned, leased, IRU, etc)	63	Projected 79% A portion of the build was contracted out and we are waiting for the contractor to bill us.
2i.	Equipment Deployment	93	Projected 95%
2j.	Network Testing	100	Projected 89% We purchased test equipment to test the fiber ourselves. The labor is in the Network Build category 2h
2k.	Other (please specify): Admin & Legal	72	Projected 80% We moved \$50,000 from the Equipment Procurement category to fund the legal fees incurred due to the work stoppage on the Blackfeet Reservation. We have delayed recording any more In-Kind Labor Match to fund the increased legal fees.

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).

Work stoppage continued on the Blackfeet Reservation through this quarter until mid February. Once negotiations were completed and the Tribe authorized the project to restart, it took 3 to 4 weeks to engage a contractor and for mobilization of the work force before we could start again.

Budget modifications were made this quarter that fall below the 10% threshold:

Moved \$250,000 out of the equipment budget.

Added \$50,000 to the legal budget--Blackfeet issues.

Added \$10,530 to Network Testing to pay for the test equipment.

Added \$1328 to Permits to correct the over budget situation.

Added \$188,142 to Network Design to pay for network hardware.

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	143	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
Existing network miles leased	0	Projected 0
Number of miles of new fiber (aerial or underground)	143	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 this schedule.
Number of new towers	0	N/A
Number of new and/or upgraded interconnection points	7	Projected 17. 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)
Cutthroat Communications
Montana Skynet

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 per month.
Montana Skynet: 200Mb Internet, \$18/Mb/Mo, \$200/Mo/Port

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).

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	2	Projected 4. Project delays have impacted this projection.
	Providers with signed agreements receiving access to dark fiber	1	Projected 1. Prepaid IRU with Bresnan for dark fiber.
	Please identify the speed tiers that are available and the number of subscribers for each	4	(1) 100Mb, 1Gb, (1) 2Gb, (1) dark fiber
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Projected 32. Blackfeet work stoppage and contractor slippages have impacted our ability to provide this 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 this 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	(55) 1.5Mb, 2.5Mb, (15) 4Mb
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).

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).
 Once our CAI list passes the Environmental Assessment, we will install or upgrade 17 CAI's. We plan to install 45 miles of fiber on the Blackfeet, and 42 miles of fiber between Kalispell and Polson.

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	89	Projected 97%. Work stoppage on the Blackfeet and delays on the northern route have impacted the schedule.
2b.	Environmental Assessment	99	Projected 100%. EA work still unfinished for the CAI's.
2c.	Network Design	100	Projected 100%
2d.	Rights of Way	93	Projected 100%. ROW impacted by the Blackfeet work stoppage.
2e.	Construction Permits and Other Approvals	100	Projected 100%
2f.	Site Preparation	66	Projected 100% 3.65 Sites will need site preparation and have been slipped to to overall construction slippage.
2g.	Equipment Procurement	95	Projected 100% Work stoppage on the Blackfeet and delays on the northern route have impacted the schedule.
2h.	Network Build (all components - owned, leased, IRU, etc.)	69	Projected 89% Work stoppage on the Blackfeet and delays on the northern route have impacted the schedule.
2i.	Equipment Deployment	94	Projected 99% Work stoppage on the Blackfeet and delays on the northern route have impacted the schedule.
2j.	Network Testing	100	Projected 100%
2k.	Other (please specify): Admin & Legal	78	Projected 93% Holding In Kind Labor Match to Fund With Program Income Match

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).

EA approval for the CAI's may cause slippages in the schedule. Our contractor has slipped his schedule numerous times, and we may need help in leveraging resources to finish on time. The Blackfeet is a challenge to get right of ways to finish...we may need to go to microwave if we cant get the easements necessary to get to St. Mary and Babb.

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	\$978,800	\$542,000	\$436,800	\$787,884	\$368,199	\$419,685	\$804,999	\$368,199	\$436,800
b. Land, structures, right-of-ways, appraisals, etc.	\$500,000	\$115,000	\$385,000	\$455,615	\$79,207	\$376,408	\$464,207	\$79,207	\$385,000
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	\$0	\$0	\$0	\$35,200	\$0	\$35,200
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$14,443,944	\$5,285,285	\$9,158,659	\$12,416,761	\$4,850,005	\$7,566,756	\$12,721,765	\$5,155,006	\$7,566,759
j. Equipment	\$2,781,253	\$0	\$2,781,253	\$2,643,458	\$0	\$2,643,458	\$2,768,458	\$0	\$2,768,458
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	\$17,303,446	\$5,297,411	\$12,006,035	\$17,794,357	\$5,602,412	\$12,191,945
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	\$17,303,446	\$5,297,411	\$12,006,035	\$17,794,357	\$5,602,412	\$12,191,945

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